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MANAGEMENT
ANALYSIS DIVISION

MINNESOTA STATE PARKS

MANAGEMENT and OPERATIONAL COSTS and FUNDING SYSTEMS

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MINNESOTA STATE PARKS

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MANAGEMENT and OPERATIONAL COSTS and FUNDING SYSTEMS

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MAY 1994

**Minnesota Department of Administration
Management Analysis Division**

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EXECUTIVE SUMMARY

The Division of Parks and Recreation of the Minnesota Department of Natural Resources operates 65 state parks, 3 state recreation areas, and 11 state waysides with an operating budget of \$19.1 million. With budget resources becoming more limited every year, the 1993 Legislature directed the commissioner of natural resources to “. . . study the management and operational costs of the state park system and evaluate alternative funding approaches for the system.” The department contracted with the Management Analysis Division of the Department of Administration to conduct the study.

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The mission of the Parks and Recreation Division of the Minnesota Department of Natural Resources (DNR) is “to provide a state park system which preserves and manages Minnesota’s natural, scenic and cultural resources for present and future generations while providing appropriate recreational and educational opportunities.” After a long period of growth in the system, the division is now faced with managing its 65 state parks, 3 state recreation areas and 11 state waysides with increasingly limited state funds. This has led to increased interest within the division and in the legislature in finding ways to manage the park system efficiently and provide an appropriate level of funding to support park operations.

The 1993 Legislature directed the commissioner of natural resources to “study the management and operational costs of the state park system and evaluate alternative funding approaches for the system,” with results of the study to be reported to the legislature by July 1, 1994 [Minnesota Laws 1993, Chap. 172, Sec. 5, Subd. 4]. The legislation said that the study “must include a review of the size, type, and number of units within the system; alternative management strategies and organizational structures; revenue generating alternatives; potential stable funding sources; and potential alternatives for reducing costs and improving self-sufficiency.”

The DNR contracted with the Management Analysis Division of the Minnesota Department of Administration to conduct this study. Following an initial scan of the division’s operations, Management Analysis Division staff focused on four major areas that emerged as the most significant and having the greatest potential payoff for the division’s future operations. The major focus areas were:

1. **State park system mission priorities** — The goal of this analysis was to examine the mission of state parks in light of current and anticipated demand in order to determine the appropriate role of the Parks and Recreation Division, as opposed to other providers with similar missions. Those having similar missions could include other DNR divisions, other park systems, schools, and resorts. The analysis included a review of the size, type, and number of units within the state park system.
2. **Current expenditures** — The goal of this analysis was to identify operational costs of the division in order to show how the division allocates its funds, to identify trends in spending, and to analyze the division's assertion that it is underfunded.
3. **Revenue** — The goal of this analysis was to determine the extent to which the park system should be funded by the general fund and other sources of revenue such as user fees or dedicated funds. The analysis included a review of revenue-generating alternatives, including potential stable funding sources.
4. **Strategies to improve management of the state park system** — The goal of this analysis was to evaluate a variety of potential management improvements suggested by staff, users, and stakeholders in the park system. The analysis included a review of alternative management strategies and organizational structures and potential alternatives for reducing costs and improving self-sufficiency.

In outlining goals for this study, parks division management placed an emphasis on finding increased funding for the division. The legislative mandate included funding among other subjects to be studied, including alternative management strategies and potential alternatives for reducing costs and improving self-sufficiency. What emerged in the course of the study, however, were many opportunities to improve the way things are done within the park system. Many of these opportunities were suggested by members of the division, whose daily interaction with the public and intimate knowledge of park operations give them a unique insight on what is needed. Their ideas range from setting priorities within the mission and establishing criteria for the system to streamlining the division's internal bureaucracy and systems of getting things done. This study concluded that only when these fundamental operational issues have been addressed can the division accurately project and justify its funding needs.

This study found that the division has not given adequate attention to its mission and internal systems. Although the report does address funding and recommends appropriate funding systems, the majority of recommendations focus on mission and internal systems.

The following list summarizes this report's recommendations. More detailed explanation of the recommendations accompany the study's findings and conclusions throughout the body of the report.

Mission and criteria

It is recommended that the division:

1. clarify its niche in resource protection, recreation, and education
2. continue to use a method of individual park planning that coordinates park services with other recreation, resource protection, and education services being provided in the area surrounding the park
3. set overall goals for resource protection, recreation, and education, within which the staffs of individual parks may develop their own plans
4. develop and implement priorities within the goals for resource protection in order to guide decision making involving resource protection and recreation
5. establish an expectation that division staff will treat resource protection and recreation as complementary, not competing, elements of the state parks mission

It is recommended that:

6. the division make use of meaningful criteria for state parks and recreation areas.
7. the criteria for a state park be: that it contains resources of statewide significance, draws from more than a local population, and represents a unique landscape region; the criteria for state recreation areas be: that it offers outstanding opportunities for outdoor recreation, draws from more than a local population, boasts resources that permit intensive recreational use by large numbers of people, and provides recreation in a recreationless area (should not be in lieu of municipal, county or regional facilities).
8. the division apply the criteria to current units and proposed acquisitions, and consider the alternative management options listed above in order to uphold consistent standards for state parks and better manage the cost of the system.
9. the DNR monitor trends in demand for outdoor recreation and cooperate with other providers of recreation and resource protection to ensure that public lands are available to meet future demand.

Funding

It is recommended that the division:

10. be funded by a mixture of general tax dollars and user fees, with a goal of collecting enough revenue from user fees to cover the cost of benefits accrued to park users.
 11. develop a pricing strategy for all fees and charges set for state parks
 12. increase the revenues it generates by raising the price of annual permits, eliminating the
-

discount for senior citizens' annual permits, expanding differential pricing for camping, charging fees for some interpretive programs, and collaborating with the Trails and Waterways Division to explore the feasibility of new activity fees

13. clearly communicate to the public its pricing decisions
14. explore replacing the two-day permit with a daily permit
15. adopt a better cost-accounting system
16. conduct an analysis of expenditures and revenues of the "nature store" by unit, in order to better market or discontinue those nature store units that are not generating reasonable net revenue.

Management and operations

Hierarchical management structure

It is recommended that:

17. the central office become more supporting and less controlling of the park system
18. central office management coordinate its activities through regular communications, joint planning, problem solving, and monitoring of demands placed on field staff
19. the central office devote itself to finding ways to ease the burden of work at the regional and park levels
20. the division undertake a process to determine the levels at which authority for decision making resides and should reside and strive to push authority for decision making to the lowest possible levels in the organization

Systemwide controls

It is recommended that:

21. the division establish which policies need to be maintained systemwide, including issues involving safety, accessibility, liability and efficiency
 22. where it is not necessary to maintain systemwide policies, individual parks be allowed to make decisions based on individual circumstances within the goals and priorities established by the mission
 23. the system not impose policies that prohibit parks with certain unusual features from responding to reasonable visitor expectations
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Planning systems

It is recommended that:

24. the division adopt a planning model that would create a three- to five-year plan for each park, with annual review to track progress and make adjustments, less detail, and addressing such topics as customer-service objectives, effective staff cooperation and communication, coordination with other entities, resource protection and development goals, and a public involvement strategy
25. division planners place top priority on park planning
26. the division set a goal of completing all park plans within the next two years
27. public input be brought in through involvement in the planning team and development of an assessment of the park's needs and opportunities
28. park managers be trained in this approach to planning and be held accountable for having followed and updated their plan

Innovation in park management and operations

It is recommended that:

29. a higher priority be placed on promoting innovation throughout the division and especially in the field
30. individual parks be allowed to keep a portion of money saved through efficient management as an incentive to seeking cost savings
31. division policies be overhauled to include only those necessary to prevent the worst fears of staff and stakeholders from being realized
32. training be provided to help managers build skills needed to take an innovative approach to work
33. the division advertise internally the successes and lessons learned throughout the system by people who try new ways of doing things

Underfunding argument

It is recommended that:

34. the operational funding decision matrix be redesigned to include the costs of management and supplies
 35. the division assign priorities to its new funding needs and look for innovative ways to meet these needs before requesting additional funds
-

36. the division develop an approach to communicating its needs that emphasizes what it is doing to set priorities and manage its resources wisely
37. the division place a priority on collecting and reporting reliable data so that decision makers can be assured that arguments for funding are well-founded
38. when communicating its needs to the public, the division strive to educate them about the value that park fees contribute to the park system

Internal communications

It is recommended that:

39. the division ensure that parks division staff receive the information they need in order to work efficiently and effectively, through the implementation of existing division policies and job descriptions providing for timely communications throughout the system
40. division management review requests for staff participation in teams, reviews, or other processes, in order to evaluate whether the participation is actually needed

Cooperation with other organizations

It is recommended that:

41. the division promote cooperation among groups of parks to replicate what has been achieved by North Shore parks
42. department administrators continue to promote cooperation among divisions and with other agencies at the central office level
43. the division examine whether some parks could be managed through an area management structure
44. the division expand its area approach to management of interpretive and resource management programs
45. the division examine the feasibility of combining interpretive and resource management programs.

Alternative ways of delivering park services

It is recommended that:

46. the division determine its values and criteria for contracting out services, using the guidelines included in this report
 47. if the contracting option is rejected, the department in cooperation with the Labor Relations Division of the Department of Employee Relations enter into long-range
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negotiations with its unions to look for ways to control labor costs over time

48. the division establish criteria for measuring the effectiveness of the "work experience" program that go beyond cost savings to the division
49. where parks have a pool of prospective volunteers, efforts be made to provide opportunities for them to contribute their time on park projects; the use of volunteers should be seen as a way to provide services that parks would not ordinarily be able to offer and a way to give citizens a meaningful way to be involved with and contribute to parks

Other system improvements

It is recommended that:

50. the division streamline its bill-paying system
51. the \$500 local-purchase authorization amount for parks be clearly communicated to all parks
52. the division explore the use of checkbooks as well as credit cards at parks
53. the division place a priority on creating favorable conditions for expanded computer use before further implementing new requirements for computer use in parks
54. the division create a mobility role for a current park staff person with ability and interest in developing computer programs to develop recommendations on what the division should do to meet and keep up with technology needs of parks
55. division management develop a process for assessing the value added by all administrative systems and discard or streamline those whose costs outweigh their benefits
56. the division investigate options to simplify the hiring process for seasonal employees

Studies of this type are necessarily critical because they are designed to identify opportunities for improvement in the organization. However, this should not detract from the strengths and achievements of the operations under study.

The staff of the division as a whole were found to be dedicated and talented. Many people were generous in offering their time and experiences in order to help the study consultants understand and find potential improvements in the park system. Their commitment to providing excellent park services provides the division with a strong resource for managing Minnesota's parks into the 21st century.

INTRODUCTION

The Division of Parks and Recreation of the Minnesota Department of Natural Resources (DNR) operates 65 state parks, 3 state recreation areas and 11 state waysides with a 1993 operating budget of \$19.1 million. The 1993 Legislature directed the commissioner of natural resources to “. . . study the management and operational costs of the state park system and evaluate alternative funding approaches for the system.” The legislation said that the study “must include a review of the size, type, and number of units within the system; alternative management strategies and organizational structures; revenue generating alternatives; potential stable funding sources; and potential alternatives for reducing costs and improving self-sufficiency [Minnesota Laws 1993, Chap. 172, Sec. 5, Subd. 4].”

The department contracted with the Management Analysis Division of the Department of Administration to conduct the study.

Objectives

Management Analysis:

- analyzed the current status of the state park system, particularly with respect to its costs and benefits
- developed criteria for comparing management and policy alternatives, with assistance from DNR staff, experts in the field of state parks and recreation, and customers of the parks, and
- identified options for the structure (including size, type and number of units), organization and management of the system, as well as alternative funding sources, for the purposes of improving efficiency and meeting future needs.

Scope

The study focused only on the state park system administered by the DNR. Other national, state and local park systems were reviewed only for comparative purposes, to shed light on the effectiveness of the Minnesota state park system and to provide ideas for improved efficiency.

Management Analysis evaluated the parks from a system perspective and did not make recommendations specific to individual units of the system. Although future demand for state parks, consistent with the mission of the system, was considered, Management Analysis did not evaluate specific sites for potential inclusion in the system.

Methodology

Management Analysis used a two-phased approach to accomplishing the goals of the study. In the first phase, study consultants conducted an initial round of interviews, focus groups, and review of background literature in order to identify key issues within the legislatively mandated scope. Focus groups and interviews were held with more than 200 members of the Parks and Recreation Division, other DNR staff, legislators and their staff, experts in the field of parks, and park users.

Participants were selected in a variety of ways: The consultants conducted focus group meetings at park managers' meetings in each of the six DNR regions in fall of 1993. A focus group of all year-round park staff was conducted at the parks division fall conference in December. The division recommended, at the request of the consultants, a list of knowledgeable staff at all levels of the park system to be interviewed. In selecting staff from this list, the consultants sought:

- representatives of different types of parks
- representatives of different classifications within the park system
- people having a broad or long-term perspective on the system
- people with a unique perspective on the Minnesota state park system, such as having worked in another system or having a particular area of expertise
- a mix of positive and more critical perspectives on the system

Proximity to other focus groups and interviews being conducted also played a role as the consultants attempted to coordinate interviewing needs with travel schedules.

Participants from outside the park system were selected based on recommendations from parks division management and the consultants' scan of people having knowledge about or interest in the area of park management, operations, and funding.

Everyone contacted for an interview or focus group was given an opportunity to call or send additional information to the consultants in order to ensure that all views were included in the study. The consultants received and incorporated into their analysis 15 such responses.

Information was collected in interviews and focus groups through the use of structured sets of questions, which were tailored to fit the different individuals' and groups' areas of interest and expertise. A selection of different sets of questions is included in Appendix 1.

All interviews and focus groups were conducted by Management Analysis staff. Thorough notes were taken at these meetings and compiled for analysis along with all data collected for the study. Notes from all interviews and focus groups are held confidential in keeping with the Minnesota Data Practices Act.

Consultants also reviewed a broad range of background literature, including statutes, parks division reports, memos, policies and budget documents, and general literature about trends and effective practices in park management. The consultants worked closely with the division and a committee from within and outside the division to ensure that the data collection included the best possible range of views and did not fail to bring up important questions.

In the second phase of the study, consultants focused on four major areas that emerged as key issues in the initial round of data collection. These were:

- state park system mission priorities
- current expenditures
- revenues
- strategies to improve management of the park system

Another round of data collection was conducted in order to gather information in these four areas. Ten formal park visits were made; each visit included interviews with park managers and staff, tours of park facilities, and, in most cases, a focus group with citizens having an interest in the park. The 10 parks were selected to represent the different classifications and types of parks and the six DNR regions.

Ten other park system officials were interviewed, including those from seven other states, one county, the National Park Service, and one Canadian province. These systems were selected based on recommendations of Minnesota parks division management and other experts in the field of parks. Study consultants were interested in looking at park systems with features similar to the Minnesota park system, systems having a reputation for innovative management, and systems having faced similar budget challenges.

More interviews were conducted with DNR and parks division staff, legislative staff, park users, directors of other states' park systems, and experts in the field of parks. More than 90 people were interviewed in the Phase 2 data collection effort. Additional budget and other division documents were reviewed in order to better understand current division practices.

The method for selecting participants, collecting information, and recording results was the same as in Phase 1.

The analytical process used to organize data and develop findings, conclusions, and recommendations was more qualitative than quantitative. This means that responses from people interviewed were not tabulated and reported in such a way that they reflect the number of people who shared a particular point of view. Rather, several considerations determined how interview responses were incorporated into the analysis: content of the idea presented, whether the idea was voiced by many people or a few, and whether the idea was supported by other data collected, observation of the consultants, and attempts to verify initial statements. The study consultants also applied their knowledge of well-functioning

government organizations and their experience in working with other agencies in considering the merit of ideas presented in the study.

A quantitative approach was used in analyzing budget information, state park attendance, and other similar categories of information.

Management Analysis uses a combination of quantitative and qualitative approaches in most of its studies for several reasons. In most cases the first step in a study is to identify issues for further analysis. The most effective way to do this is to ask open-ended questions of a wide selection of staff, customers, and stakeholders of the agency. The results of these questions are then reviewed to reveal overall themes and trends among the respondents' views. In the next phase of data collection these themes and trends are explored in greater detail in order to shed light on specific causes and possible solutions to identified problems. It is not always cost-effective to collect this data in quantitative ways. Moreover, in most studies Management Analysis is asked to apply its understanding of government organizations to its analysis and not to simply tabulate and report results of data collection.

In most organizations being studied there is some natural anxiety among staff about the possible effect of the study on their organization and their jobs. In conducting individual interviews and focus groups this anxiety can make staff reluctant to speak candidly about concerns or problems. For this reason, consultants listen carefully to all responses, even if ideas are not voiced by a majority of respondents. If an idea can be supported by verification with other respondents, other data collected, or observation of the consultants, it is likely to be considered seriously in the analysis. Such views can often provide a key understanding of the inner workings of an organization or a new outlook on a problem.

The study was begun in September 1993 and completed in May 1994.

Report structure

The report is organized in four main sections:

- The **Background** describes parks division resources and facilities, attendance patterns, organization and personnel, and expenditures and revenues.
 - **Mission and criteria** includes findings, conclusions and recommendations on the questions of mission priorities and criteria for the Minnesota state park system.
 - **Funding** includes findings, conclusions and recommendations on the mixture of funding that supports the division and ways to increase division revenues.
 - **Management and operations** includes findings, conclusions and recommendations on ways in which the park system could be operated more efficiently and effectively. Topics
-

within this section include hierarchical management structure, systemwide controls, planning systems, innovation in park management and operations, the underfunding argument, internal communications, cooperation with other organizations, other systems improvements, and alternative ways to deliver park services.

Studies of this type are necessarily critical because they are designed to identify opportunities for improvement in the organization. However, this should not detract from the strengths and achievements of the operations under study.

The staff of the division as a whole were found to be dedicated and talented. Many people were generous in offering their time and experiences in order to help the study consultants understand and find potential improvements in the park system. Their commitment to providing excellent park services provides the division with a strong resource for managing Minnesota's parks into the 21st century.

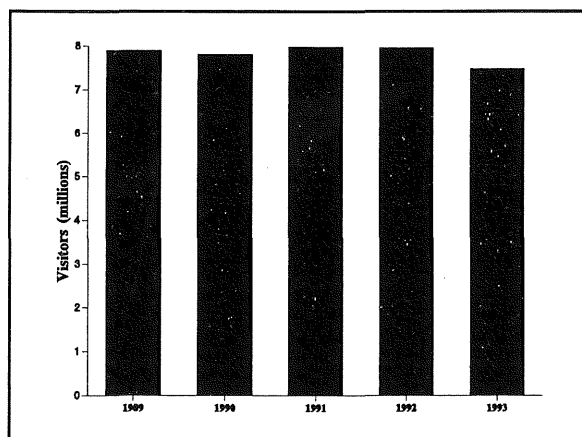
BACKGROUND

Minnesota was one of the first states to acquire and manage a park system. In 1891, the first state park was established. Since then, the park system has expanded. Today, park visitors have access to a multitude of different recreational opportunities, preserved resources, and environmental education.

State park resources and facilities

Parks and Recreation is one of seven divisions in the Department of Natural Resources. The division operates 79 units, including 65 state parks, 3 state recreation areas, and 11 state waysides (May 1994 numbers). The system consists of more than 230,000 acres of parkland and is the fifth largest state park system in the country [1]. Parks vary in acreage from fewer than 200 acres to more than 34,000. Greater than half the parks span more than 1,600 acres.

Fig. 1. Park attendance 1989-93



The parks division manages numerous facilities: more than 1,600 buildings, 4,000 campsites, 4,200 picnic sites, 75 group camps, and 33 beaches; in addition, it maintains 335 miles of road and 1,000 miles of trail. The facilities include a variety of historic and cultural resources. The park system contains 565 buildings and structures on the National Register of Historic Buildings and 51 known archaeological sites.

Attendance — The park system served about 7.5 million people in 1993. Attendance has been relatively stable over the

past five years, ranging from 7.5 million to 7.9 million people (Figure 1).

Most parks have fewer than 100,000 visitors per year, but attendance varies significantly among parks. The busiest park — with more than 800,000 visitors a year — is Gooseberry Falls along the shore of Lake Superior. On the other hand, fewer than 8,000 visited Monson Lake in 1993. Table 1 shows the average number of parks with different attendance levels in 1991 - 1993.

Table 1. 1991-93 park attendance

Attendance	Average number parks
< 49,999	22
50,000 - 99,999	16
100,000 - 199,999	14
200,000 - 299,999	6
300,000 - 399,999	2
> 400,000	3

Organization and personnel

The Division of Parks and Recreation employs more than 800 people annually. The staff included 214 full-time positions and 600 seasonal positions in 1993.

Figure 2 shows the division's organizational structure: central office, regional offices, and park units. The majority of personnel are employed in the park units (Table 2).

Central office — The role of the central office is to “provide leadership, program direction, coordination, priority setting, budget administration, and general management for the system [2].” To accomplish this, the central office employs 29 full-time employees and two seasonal employees.

Regional offices — Six regional offices are geographically distributed across Minnesota. Each regional office employs between four and six full-time personnel, including a regional manager, assistant regional manager (except in the Metro Region), regional resource specialist, regional naturalist, and a clerk. The regional manager and assistant manager are responsible for providing direct supervision to the park managers and for assisting in the development of statewide park policies. The regional resource specialist coordinates activities related to the protection, restoration, and management of the region's natural and cultural resources. The regional naturalists set regional program direction for the provision of educational activities to park visitors.

Park units — The 65 state parks employed 752 people in 1993, including 160 full-time and 592 seasonal employees. A park's employment numbers vary according to the park's size, complexity, and use.

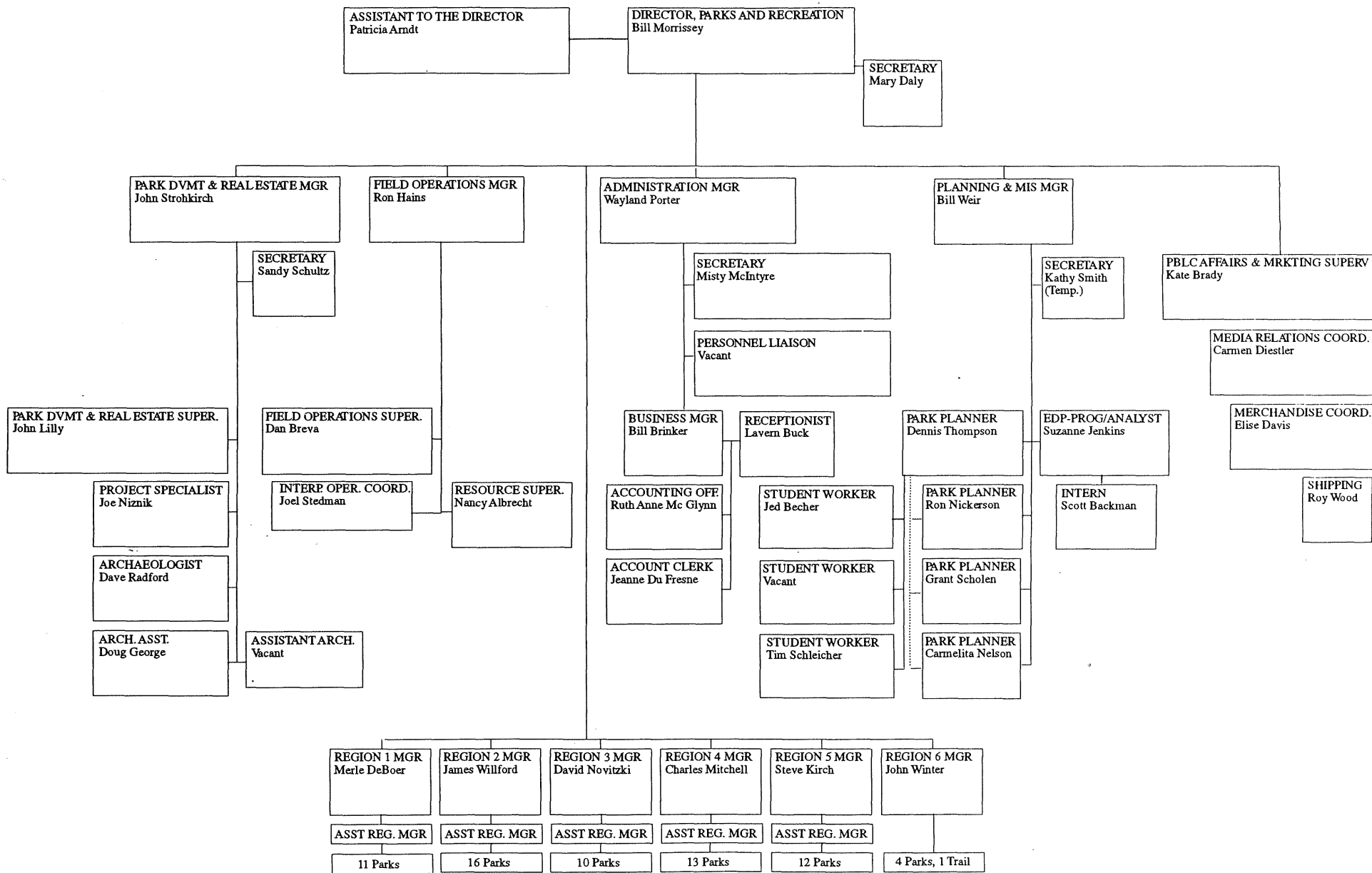
The number of full-time employees at a park varies from 1 to 16. On average, the park units employ 2.7 full-time personnel.

Table 2. FY 93 personnel distribution

	Full-time	Seasonal	Total
Central office	29	2	31
Regional offices	25	6	31
Park units	160	592	752
TOTAL	214	600	814

The majority of the full-time employees perform management responsibilities. Of the 65 state parks, 42 are managed by both a park manager and assistant park manager, and 17 are managed solely by a park manager. The remaining six parks are operated as a satellite of a larger nearby park. The satellite parks are managed by the park manager of the larger park. Other common positions for full-time employees include

Fig. 2. Division of Parks and Recreation organization chart



park naturalist, building and grounds worker, and clerk.

Almost 80 percent of all park employees are hired on a seasonal basis. Common positions filled by seasonal workers are building and grounds worker and parks worker. The number of seasonal park workers varies from 1 to 85.

The average cost of a seasonal worker is \$12.73 per hour, including salary and benefits. Benefits included in this figure are health insurance, retirement and FICA. Seasonal workers are eligible for unemployment and receive paid sick leave, vacation, and holidays. In FY 93 the parks division spent more than \$600,000 on unemployment compensation. A 1993 survey conducted by the parks division found that seasonal park workers in Minnesota received higher compensation than those in other states. The pay rate in other midwestern states for seasonal park laborers is between \$4.50 and \$6.50 an hour, compared with \$9.35 to \$11.38 an hour in Minnesota [3].

The parks division is implementing a new "work experience" program. Unemployed and underemployed state residents will be hired as seasonal employees at a lower cost to the division. Work experience participants will fill vacancies of 10 percent of available openings in 1994 at wages of \$5.25/hour. The division's goal is to employ 30 percent of its seasonal work force in the work experience program by the end of a three-year trial.

Budget

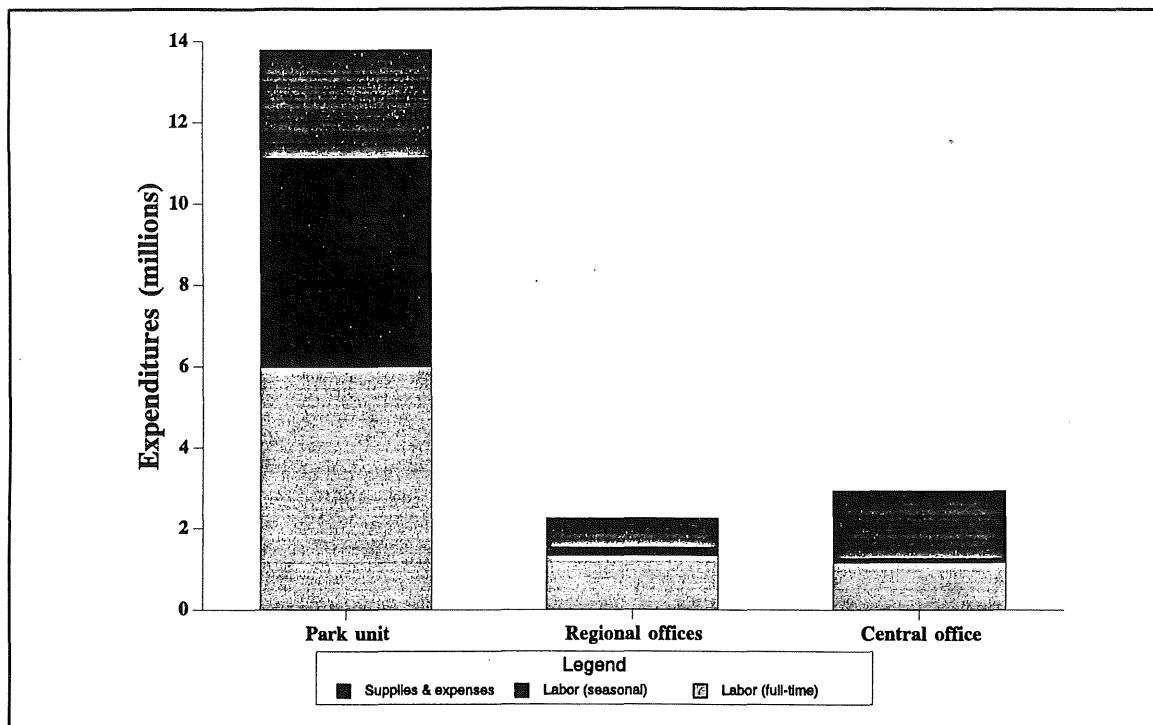
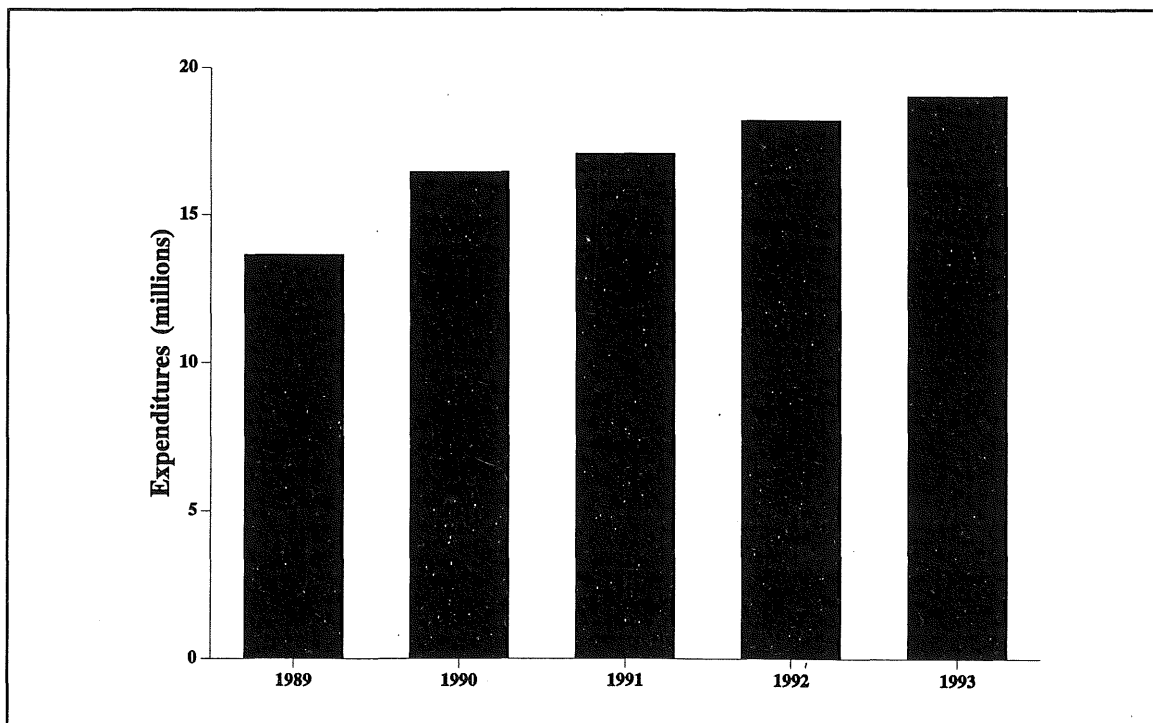
The Parks and Recreation Division's \$22 million-plus FY 1993 budget was about 11 percent of the DNR's budget. The largest activity is the operations budget, which is the focus of this section's discussion.

Expenditures

In FY 93, the Parks and Recreation Division managed an operations budget of more than \$19 million, 86 percent of the total budget. (The balance was for capital expenditures.) Operating expenditures of \$13.8 million, or 73 percent, occurred at the park units, with \$2.9 million, or 15 percent, occurring at the central office, and \$2.3 million (12 percent) at the regional offices. Operating expenditures were primarily made up of labor costs, roughly two-thirds of all expenditures. Some central office spending goes toward park unit expenses such as unemployment compensation or computers.

Figure 3 shows the FY 93 operating expenditures distribution between levels. It also shows the major expenditure categories: full-time labor, seasonal labor, and supplies and expenses.

Operating expenditures have increased by 39 percent since 1989 — from \$13.6 million to \$19 million. The majority of this increase occurred between 1989 and 1990, a 21 percent increase (Figure 4). The average annual increase since 1990 has been 5 percent.

Fig. 3. FY 93 operating expenditures distribution**Fig. 4. Operating expenditures growth, FYs 89-93**

The need for operating expenditures at the parks is estimated by the division using a set of standards developed in the late 1980s. The operating standards are a statement of tasks that should be done at each park and include estimated time necessary to accomplish each task. For example, 10 minutes are allowed to clean each toilet per day during the peak period of operations.

Standards have been developed for 14 different tasks: administration, training, public contact, merchandising, security and enforcement, interpretation, resource management, beach operations, garbage collection, sanitation and building cleaning, road maintenance, building and facility maintenance, and grounds and equipment maintenance. The total number of hours necessary to complete these tasks is determined and staffing decisions are made by each park manager in consultation with the regional manager.

Because the Parks and Recreation Division budget, as currently distributed, does not provide for accomplishing all standard tasks, the operating budget is distributed to the park units based on a decision matrix (see appendix). This matrix is based on the same numbers that are determined by the standards. The matrix is designed so that the most heavily used parks are least affected by funding shortfalls.

In 1993, operating expenditures varied between \$15,000 and \$1.6 million [4] in the park units. The entire park system operated at a cost of \$2.44 per visitor. Parks ranged from a cost of 41 cents to \$14.43 per visitor, with a \$2.30 median cost per visitor.

Table 3 shows the operating cost per visitor for parks between FYs 91 and 93. (The individual park cost per visitor does not include expenditures at the regional and central offices.) The most expensive parks to operate are Soudan Underground Mine and Hill Annex Mine. It should be noted that these parks also take in revenues for the tours they provide.

Minnesota's average cost per visitor for the entire system is higher than the average cost per visitor for other states. On average, states spent \$1.88 per visitor in 1991, while Minnesota spent \$2.22 per visitor, ranking Minnesota as the 16th highest state on cost per visitor [5].

Revenues

The state park system has three revenue sources. The largest, the general fund, includes tax dollars and revenues generated by the parks division. Other sources include:

State Parks Working Capital Account — This account receives revenue from the rental or sale of merchandise and from the operations of Douglas Lodge. The funds are appropriated for the purchase and payment of expenses attributable to the operation of this account. Any excess receipts are appropriated to the operation of the resource management and interpretive programs.

Gift Account — This account receives donations and gifts specifically dedicated to the parks system. These funds are not used for park operations.

Table 3. FYs 91-93 operating costs per visitor by park unit

Park	Average attendance	Average operating expenditures	Average cost per visitor	Rank by cost per visitor
Afton	147,498	\$203,258	\$1.39	50
Banning	77,563	\$116,211	\$1.53	48
Bear Head Lake	92,129	\$178,897	\$1.96	37
Beaver Creek Valley	36,583	\$93,861	\$2.77	21
Big Stone Lake	12,784	\$57,051	\$4.47	6
Blue Mounds	90,117	\$189,357	\$2.10	33
Buffalo River	48,635	\$139,143	\$2.87	18
Camden	98,152	\$219,200	\$2.28	29
Carley	16,761	\$25,846	\$1.58	46
Cascade River	160,629	\$182,073	\$1.14	54
Charles A. Lindbergh	50,739	\$91,433	\$1.81	41
Crow Wing	45,948	\$134,303	\$3.01	17
Father Hennepin	133,034	\$180,921	\$1.38	51
Flandrau	241,535	\$226,436	\$0.94	58
Forestville and Mystery Cave	111,427	\$345,124	\$3.10	14
Fort Ridgley	59,057	\$181,714	\$3.14	13
Fort Snelling	583,966	\$398,421	\$0.73	60
Frontenac	77,499	\$155,129	\$2.01	35
Geo. Crosby Manitou	15,101			*
Glacial Lakes	23,579	\$89,107	\$3.80	7
Gooseberry Falls	799,565	\$317,999	\$0.40	62
Grand Portage		\$58,330		**
Hayes Lake	33,116	\$90,964	\$2.76	22
Hill Annex Mine	14,572	\$150,089	\$10.01	2
Interstate	374,730	\$253,061	\$0.68	61
Itasca	508,782	\$1,560,662	\$3.07	15
Jay Cooke	211,665	\$255,851	\$1.21	53
Judge Magney	62,580	\$86,660	\$1.45	49
Kilen Woods	13,782	\$68,423	\$5.05	4
Lac Qui Parle	42,946	\$107,626	\$2.64	25
Lake Bemidji	133,356	\$297,994	\$2.24	30
Lake Bronson	106,159	\$195,371	\$1.85	39
Lake Carlos	165,177	\$280,984	\$1.73	42
Lake Louise	28,400	\$76,249	\$2.71	23

Park	Average attendance	Average operating expenditures	Average cost per visitor	Rank by cost per visitor
Lake Maria	46,676	\$91,911	\$1.97	36
Lake Shetek	109,647	\$251,684	\$2.30	28
Maplewood	94,112	\$178,830	\$1.90	38
McCarthy Beach	89,906	\$216,832	\$2.42	27
Mille Lacs Kathio	100,434	\$266,055	\$2.66	24
Minneopa	102,339	\$173,438	\$1.70	43
Minnesota Valley	83,464	\$154,979	\$2.17	31
Monson Lake	8,232	\$39,129	\$4.76	5
Moose Lake	40,676	\$74,475	\$1.84	40
Myre-Big Island	125,081	\$265,250	\$2.14	32
Nerstrand Big Woods	66,133	\$109,889	\$1.67	44
Old Mill	29,303	\$92,093	\$3.17	12
O.L. Kipp	29,155	\$96,236	\$3.30	9
Rice Lake	42,272	\$116,906	\$2.79	20
Sakatah Lake	98,197	\$150,564	\$1.54	47
Savanna Portage	57,561	\$185,179	\$3.23	10
Scenic	78,835	\$205,408	\$2.61	26
Schoolcraft	7,926	\$40,764	\$5.14	3
Sibley	370,396	\$374,060	\$1.01	55
Soudan Underground Mine	51,948	\$556,336	\$11.44	1
Split Rock Creek	31,327	\$86,308	\$2.82	19
Split Rock Lighthouse	211,174	\$204,220	\$0.97	57
St. Croix	194,752	\$665,700	\$3.43	8
Temperance River	156,633	\$126,028	\$0.81	59
Tettegouche	234,386	\$236,698	\$1.01	56
Upper Sioux Agency	28,872	\$87,230	\$3.06	16
Whitewater	261,215	\$388,172	\$1.63	45
Wild River	161,379	\$339,149	\$2.10	34
William O'Brien	235,226	\$314,396	\$1.35	52
Zippel Bay	28,280	\$87,979	\$3.20	11
Total	7,793,105	\$13,183,651		

* George Crosby Manitou is a satellite of Tettegouche. Expenditures for the park appear in Tettegouche's operating budget.

** Grand Portage is currently being developed. There were no visitors in 1993.

Table 4. FY 93 funding sources

Revenue source	Amount (thousands)	Percent of park's budget
General fund		
Taxes	\$12,980	68
Revenue from user fees*	\$5,299	28
Sales tax	\$428	2
State Parks Working Capital Account**	\$369	2
Ski licenses	\$58	<1
Gift Account	\$20	<1
TOTAL	\$19,154	100

* User fees include revenue generated from the sale of park permits, camping fees, receipts from concessions, and service charges. All user fees are returned to the general fund.

** The amount reported is the gross income for this account. Gross income is revenue minus costs before subtracting other costs.

Table 4 shows the amount of revenue received from each revenue source in FY 93 and each source's proportion of the budget.

The parks division generated approximately \$6.1 million in revenues in FY 93. This includes about \$369,000 from the working capital account and \$5.3 million from user fees. Parks also collected about \$486,000 in sales tax and ski license fees.

The parks division has been collecting fees from visitors for more than 40 years. The first state park vehicle permit was sold in 1953. For \$1, a vehicle had access to all state parks for a year. M.S. 84.03 authorizes the commissioner of natural resources to establish fees for the use of state parks. The legislature establishes the fee amounts in M.S. 85.055.

The cost of permits has risen over the years. Currently, six types of vehicle permits and a group permit are available. Prices of these permits, including Minnesota sales tax, are:

Annual - regular	\$18 per vehicle	Annual - second vehicle	\$12 per vehicle
Annual - senior	\$12 per vehicle	Two-day - regular ("daily")	\$4 per vehicle
Annual - handicapped	\$12 per vehicle	Group daily	\$2 per person

Camping fees vary by the type of campsite offered. The cost per site per night is \$10 for semi-modern campsites, \$8 for rustic campsites; and the greater of either \$7 or \$1 per person for remote campsites. Additional charges are made for electric hookups and reservation fees,

Fig. 5. FY 93 park-generated revenue, by type

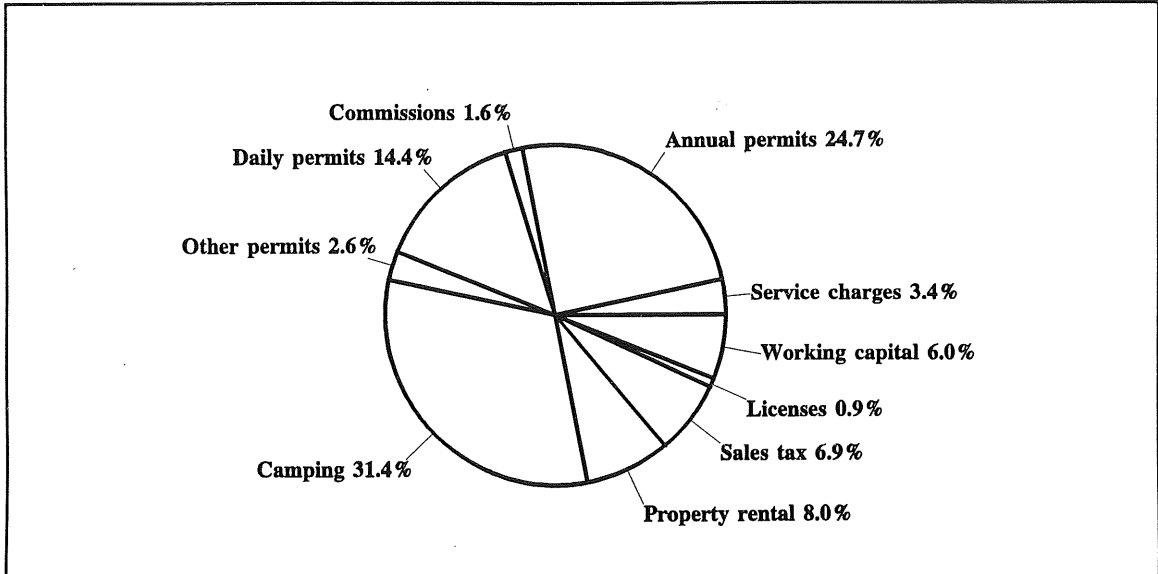
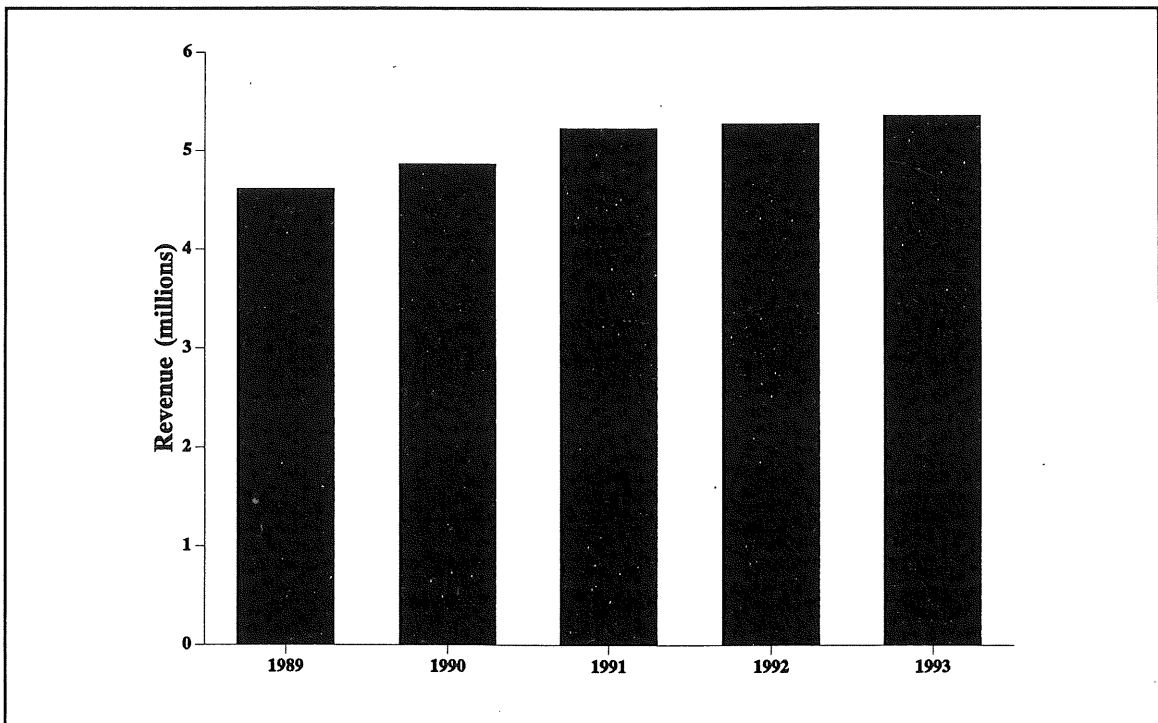


Fig. 6. Revenue from user fees, FYs 89-93



NOTE: Profits from the working capital account and sales tax amounts are not included because data was not available for all years.

although reservation fees are kept by the reservation contractor and not returned to the parks division.

The parks division has begun to use differential rates. Eighteen parks charge a \$12 fee for their semi-modern campsites. Senior citizens or persons with handicaps pay reduced rates for camping on Sunday through Thursday nights. Camping, permit, property rental and other fees are set by DNR rule.

Figure 5 shows the distribution ratios of the \$6.1 million generated from fees and sales tax paid by park users in FY 93. The sale of permits is the largest portion of these revenues (41.7 percent), followed by camping fees, 31.4 percent.

The amount of fees collected from park users has increased 16 percent since 1989, from \$4.4 million to \$5.4 million. Figure 6 shows the trend in revenues generated by park users. Most of the revenue increase occurred between FY 89 and FY 91, when the price of annual permits rose from \$16 to \$18 and daily permits rose from \$3.35 to \$4.

The amount of annual revenue collected in the park units varies from \$2,722 at Monson Lake to more than \$865,533 at Itasca. More than half the parks collect less than \$66,000.

Table 5 on the next pages shows the amount of park-generated revenue and its proportion of the operating budget in FY 93. The park system generated 32 percent of its operating expenditures from park-generated revenue that year. Overall, the park system generated 82 cents per visitor from this source in 1993, ranging from 21 cents per visitor at Gooseberry Falls to \$3.56 per visitor at Soudan Underground Mine.

Table 5. FY 93 park-generated revenue by park

Park	Revenues Collected	Operating Expenditures	Revenues as a percent of operating expenditures
Afton	\$109,120	\$213,885	51%
Banning	\$48,647	\$118,480	41%
Bear Head Lake	\$74,303	\$191,900	39%
Beaver Creek Valley	\$37,496	\$94,237	40%
Big Stone Lake	\$10,040	\$51,401	20%
Blue Mounds	\$71,118	\$199,642	36%
Buffalo River	\$47,664	\$137,300	35%
Camden	\$69,056	\$225,707	31%
Carley	\$6,679	\$15,386	43%
Cascade River	\$53,267	\$196,297	27%
Charles A. Lindbergh	\$31,346	\$96,941	32%
Crow Wing	\$39,538	\$137,769	29%
Father Hennepin	\$111,659	\$201,368	55%
Flandrau	\$133,289	\$236,468	56%
Forestville and Mystery Cave	\$164,343	\$348,965	47%
Fort Ridgley	\$85,212	\$192,282	44%
Fort Snelling	\$245,587	\$417,955	59%
Frontenac	\$84,655	\$147,420	57%
Geo. Crosby Manitou	\$4,060		*
Glacial Lakes	\$34,332	\$92,044	37%
Gooseberry Falls	\$171,745	\$336,281	51%
Grand Portage		\$58,330	**
Hayes Lake	\$22,107	\$91,330	24%
Hill Annex Mine	\$24,990	\$144,232	17%
Interstate	\$183,658	\$260,165	71%
Itasca	\$865,533	\$1,682,942 ***	51%
Jay Cooke	\$166,597	\$268,251	62%
Judge Magney	\$26,123	\$89,240	29%
Kilen Woods	\$12,208	\$77,364	16%
Lac Qui Parle	\$19,671	\$113,109	17%
Lake Bemidji	\$121,046	\$325,689	37%
Lake Bronson	\$85,975	\$213,839	40%
Lake Carlos	\$160,228	\$290,776	55%
Lake Louise	\$14,306	\$76,196	19%
Lake Maria	\$32,646	\$96,436	34%
Lake Shetek	\$93,746	\$267,480	35%

Park	Revenues Collected	Operating Expenditures	Revenues as a percent of operating expenditures
Maplewood	\$102,607	\$185,154	55%
McCarthy Beach	\$62,360	\$226,998	27%
Mille Lacs Kathio	\$75,194	\$277,079	27%
Minneopa	\$74,746	\$182,455	41%
Minnesota Valley	\$13,699	\$170,180	8%
Monson Lake	\$2,722	\$37,995	7%
Moose Lake	\$17,034	\$78,167	22%
Myre-Big Island	\$80,889	\$271,510	30%
Nerstand Big Woods	\$66,412	\$111,478	60%
Old Mill	\$19,161	\$91,263	21%
O.L. Kipp	\$23,147	\$91,436	25%
Rice Lake	\$30,333	\$116,893	26%
Sakatah Lake	\$60,393	\$152,564	40%
Savanna Portage	\$49,546	\$205,256	24%
Scenic	\$86,627	\$224,205	39%
Schoolcraft	\$5,559	\$37,490	15%
Sibley	\$198,440	\$406,823	49%
Soudan Underground Mine	\$143,754	\$582,119	25%
Split Rock Creek	\$17,482	\$84,009	21%
Split Rock Lighthouse	\$89,737	\$204,471	44%
St. Croix	\$300,680	\$713,334	42%
Temperance River	\$58,947	\$123,413	48%
Tettegouche	\$69,334	\$254,379	27%
Upper Sioux Agency	\$7,429	\$83,855	9%
Whitewater	\$214,067	\$397,064	54%
Wild River	\$155,648	\$366,682	42%
William O'Brien	\$230,205	\$336,719	68%
Zippel Bay	\$23,800	\$93,368	25%
Total Park Units	\$5,741,947	\$13,813,466	42%
Total Regional and Central Office****	\$412,284	\$5,216,050	
Grand Total	\$6,154,231	\$19,029,516	32%

* George Crosby Manitou is a satellite of Tettegouche. Expenditures for the park appear in Tettegouche's operating budget.

** Grand Portage is currently being developed. No revenues were collected in 1993.

*** Operating expenditures for Itasca State Park include those for Douglas Lodge.

**** Includes \$369,000 from the State Parks Working Capital Account, because it could not be apportioned to individual parks.

ENDNOTES

1. National Association of State Park Directors, 1992.
 2. Hay Study, 1992.
 3. Parks and Recreation Division, Pay Rates for Seasonal Laborers, April 11, 1993.
 4. The \$1.6 million figure includes the operating expenditures of Douglas Lodge at Itasca State Park. Beginning in FY 94 receipts and expenditures for Douglas Lodge at Itasca were to be recorded separately within the state parks working capital fund. FY 94 figures show that Douglas Lodge had operating expenses of about \$1.3 million. The park itself had expenditures of \$732,000.
 5. National Association of State Park Directors, 1992.
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MISSION and CRITERIA

The mission of the Parks and Recreation Division offers few parameters to help it decide its unique niche in providing resource protection, recreation and environmental education services. The Parks and Recreation Division mission statement says:

We will work with the people of Minnesota to provide a state park system which preserves and manages Minnesota's natural, scenic and cultural resources for present and future generations while providing appropriate recreational and educational opportunities.

The three components of the mission (resource protection, recreation, and education) describe well what state parks offer. These mission elements, however, are also provided by a number of other public and private organizations, such as national and local parks, other DNR divisions, schools, private environmental education centers, and resorts. Many people inside and outside the park system believe the system suffers from trying to be "all things to all people."

In their book, *Reinventing Government*, David Osborne and Ted Gaebler emphasized that, done right, mission statements "can help people at all levels decide what they should do and what they should stop doing."

Without a clearer understanding of where the mission of state parks ends and that of other providers begins, the state park system has no effective way of deciding whether an activity is appropriate for state parks or whether all units in the state park system ought to be maintained within this system. The division has nearly completed a strategic planning process that is intended to help identify and address the most important issues. Such a tool will also be helpful in deciding what the division can stop doing.

Similarly, as state parks' emphasis on resource protection has increased during the last 15 years, this has raised questions about the distinction between state parks, scientific and natural areas, lands managed by the Forestry and Fish and Wildlife divisions, and other lands designated for resource protection. One of the division's most contentious internal issues is when to restrict development or recreational use of park lands and when to allow some resource disturbance.

The interpretive services program, which provides education about park resources, is in the process of clarifying its niche in statewide environmental education programs. Program staff have worked with the state Department of Education to ensure that state parks have a role in the "Greenprint for Minnesota," a state plan for environmental education. They have also begun to identify how state parks' interpretive services differ from those offered by private environmental learning centers. This attention to defining state parks' role should be emphasized throughout the division.

This study clarified parks' niche in resource protection, recreation, and education by asking park users, staff, and other stakeholders to define what they think is the most important provision of state parks. Although a variety of opinions were held on this topic, there was general agreement that state parks' mission should emphasize recreation compatible with a natural environment. There was consensus that state parks should emphasize recreation that allows for appreciation of park resources without compromising them or threatening their status for future generations.

People interviewed also agreed that the park system does not need to be "all things to all people." They argued that individual parks do and ought to vary in the activities they provide, and that the division could do a better job of educating the public to expect different services from different parks.

Several people interviewed questioned the investment the park system has made in preserving cultural and historic resources, arguing that not every old structure in a park merits the cost of restoring and preserving it. Several people pointed out that \$450,000 was spent recently to restore Tettegouche Camp to provide rental cabins in an area that already has many resorts. These people thought that the park system had many other more pressing needs. Another person cited another park, where a settler's cabin was moved and restored at a cost of \$35,000. These people did not dispute that these projects had value, but wondered whether they merited the priority they were given in light of other needs.

Although the division does have a system for setting priorities among capital projects, it does not have a way to set priorities within the categories of natural, cultural, and historic resources. This study concluded that, if the unique niche of Minnesota state parks is to emphasize providing a natural setting in which compatible recreation can take place, then preservation of significant natural resources should be given higher priority than preservation of cultural or historic resources. This does not mean that cultural and historic resources should be ignored, but that careful consideration should be given to whether their preservation falls within the mission priorities of the state park system. For example, questions should be raised within the category of historic resource preservation such as, "What values and criteria guide our decision making about what historic resources are most significant?" "Which historic resources most closely fit those values and criteria?" and "Are we the most appropriate and cost-effective caretaker of those resources?" Other organizations, such as the Minnesota Historical Society, have the mission of preserving and making accessible cultural and historic resources. This gives the parks division an opportunity to save money by setting priorities and electing to not pursue some projects.

Two-pronged mission

The division until recently has emphasized recreation as its primary responsibility. Park managers for many years were seen as hosts who made camping, hiking, swimming, and other recreational activities available to the public.

Within the last 15 to 20 years, increased public concern for the environment combined with increased recognition that state parks hold some of the state's most special resources has led the division to increase its attention to resource protection. Division staff have a heightened awareness that future generations of park visitors will not be able to enjoy state parks if resources are damaged by overuse or neglect.

As a result, a resource management program has been initiated, resource specialists have been hired to provide expertise and support to park staff, and park managers have been trained in resource protection.

As may be expected with such a major shift in emphasis, the transition has not come overnight and has generated controversy over which value — resource protection or recreation — should be emphasized in which cases. It takes extra time to survey a piece of land to look for significant natural, cultural, or historic resources before a park may begin any new development.

The tension between resource protection and recreation provision is an inherent part of all DNR work and can provide a framework for healthy discussions on how to manage parks. However, another effect can be to slow or thwart the process of making decisions on recreation and resource issues. Because decisions to allow a particular type of recreation must take into account possible impact on park resources, parks are slower to respond to new user demands. For example, several park managers reported that they were told the division had placed a moratorium on the new use of mountain bikes in state parks while division administrators discuss the implications of allowing this potentially destructive activity. Meanwhile, park managers report increasing demand for mountain bike trails and incidents of visitors using mountain bikes despite the lack of trails.

Although park managers have become trained in resource management and interpretive skills, they tend to be viewed by naturalists and resource specialists as more interested in recreation. At the same time, naturalists and resource specialists tend to be viewed by park managers as more interested in resource protection. Despite that fact that most staff job descriptions require expertise in both resource management and recreation, one staff person described the situation as a "war." The antagonism that has developed in some cases between "resource protectors" and "recreation providers" has led to mistrust among division staff, which makes it even more difficult for the division to make decisions about where to protect and where to allow some impact on park resources. When "resource protectors" do not trust "recreation providers" to make careful, thoughtful decisions about park resources, they may be unwilling to see any resources compromised. When "recreation providers" see "resource protectors" as inflexible in allowing development, they may be unwilling to consult them on resource protection questions.

The division's structure contributes to this split in the mission: the resource management and interpretive programs exist as separate sections with separate staffs, program managers, and planning processes, and are not formally integrated with general oversight of park management.

The absence of priorities within the state park mission also contributes to this split because neither side ever feels it is “done” with its part of the mission. The resource protection task is monumental: Along with providing training and resource expertise, the program aims to inventory the resources of every state park in order to provide baseline information for the management of the natural, cultural, and historic resources within park boundaries and contribute to the larger ecosystem and historic landscapes in which they lie. The recreation task is also pressing: Parks are evaluated in part on the number of visitors they attract and the revenues generated. The immensity of both tasks contributes to a sense of urgency and an unwillingness to compromise on both sides.

Recommendations

1. The division should clarify its niche in the areas of resource protection, recreation, and education. In doing so, the division should take into account the prevailing view found among people interviewed for this study that state parks should provide appropriate recreation in a natural environment.

This process has been started through discussions held as part of the division’s strategic planning process, a current study of “benefits-based management,” in which the division is involved, and individual efforts like that of the division’s interpretive services program.

The division should look at its own services and demands for state park services within the context of what other providers can do in order to determine what role can be fulfilled only by state parks.

One park staffer said that the division “lacks a tangible vision” to help set priorities within the mission and suggested that the division begin with the direction given by the 1975 Outdoor Recreation Act, then set its own course, based on what it knows is good for the parks and for users.

2. The division has recently developed and should continue to use a method of park planning that coordinates park services with other recreation, resource protection, and education services being provided in the area surrounding the park. Parks should offer only those services they are best suited to provide, and seek to promote private or other agency development of other services. This would enable the division to target money to top priority projects in tight budget times and allow the system to be the best that it can be, rather than all that it can be.

This process could take place as a part of planning at each park. The park would confer with members of the community surrounding the park and others with an interest in the park in order to determine what should be its top priorities in providing recreation, resource protection, and education services.

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3. The division should set overall goals for resource protection, recreation, and education, and then free the park staffs to plan for individual park circumstances with those goals in mind.
 4. The division should develop and implement resource protection priorities in order to guide decision making involving resource protection and recreation. Such guidelines have been established in the past, but have not been consistently upheld or used as decision-making tools.

Priorities should also be established within the categories of natural, cultural, and historic resources. A set of values and criteria for the preservation of access to and interpretation of these resources would help the division to decide which projects and activities best fit the parks mission and which could be cared for by another entity or assigned a lower priority.

5. Division management should establish an expectation that division staff will treat resource protection and recreation as complementary, not competing, elements of the state parks mission. This will not make the conflict go away, but will help to deal with instances of competition where they exist and build a united staff cooperating to find mutually acceptable solutions.

In order to accomplish this, the division should promote coordination among all programs. Joint planning, careful and consistent communication, and regular inclusion of naturalists and resource managers in regional meetings of park managers' would help to break down past barriers. This approach would not only help to eliminate competition over different parts of the mission, but would also make more effective use of staff time. By sharing more responsibilities for resource protection and recreation, opportunities would also be found to accomplish all elements of the mission more consistently throughout the system.

Management can also help staff to overcome past barriers by clearly stating this expectation, demonstrating new approaches to resolving resource protection–recreation conflicts, allowing some controlled experiments in order to test the feasibility of some activities, and establishing performance expectations that staff will be willing to work together to find appropriate solutions to resource management–recreation conflicts.

Criteria

As one person interviewed for this study said, “The state parks mission has evolved from acquisition to stewardship.” This shift in emphasis, which has occurred over the last 20 years, has increased the need for the division to develop and apply criteria in decision making about the size, type, and number of units within the state park system. Senior managers in the parks division said that such criteria do exist but are not consistently applied in managing the system.

Criteria defining features of state parks were established several times over the history of the park system. These definitions also included a number of schemes for classifying state parks. Most classification systems included “natural” parks, which emphasize natural resource preservation, and “recreational” parks, which emphasize recreational opportunities. The current classification scheme, described in M.S. 86A.05, includes state parks, which resemble what used to be called “natural” parks, and recreation areas, which resemble “recreational” parks.

The 1939 Minnesota State Park and Recreational Area Plan defined (natural) state parks as:

. . . those areas of considerable extent, established under control of the Division of State Parks, in which are combined superlative scenic characteristics and a fairly varied and extensive opportunity for recreation, or areas distinctive in character of certain sections of the state, with exceptional opportunity for active recreation. Essential to the character of any state park is the preservation of the native landscape and native vegetation, and the withholding of all its natural resources from commercial utilization. Ordinarily they should be of not less than 500 acres in extent.

Subsequent definitions for “natural” state parks address the same points: resource significance, recreation opportunities, landscape representation, and size. M.S. 86A, also known as the Outdoor Recreation Act, added a criterion that state parks should contain “natural resources, sufficiently diverse and interesting to attract people from throughout the state.”

Similarly, definitions of “recreational” parks have not changed greatly over time. The 1939 plan called “recreational reserves” those areas “lacking scenic distinction,” that “supply exceptional opportunities for active recreation.” The 1975 Outdoor Recreation Act again added a criterion about attracting visitors “from beyond the local area.”

In interviews with current park system staff, park users, and other stakeholders, this study found general agreement with these criteria. Some suggested also looking at a park’s ratio of income to expenses to determine how the state values it, but most others preferred not to include economic viability as a criterion. These people feared that economic considerations might be given more weight than other criteria such as natural beauty or unique landscape preservation.

Consultants for this study asked people within and outside the system to discuss whether all parks in the state park system meet these generally accepted criteria. Most people interviewed agreed that some five to 10 units of the system do not fit these criteria, though some in parks division management argued that, because all existing parks are designated as state parks in legislation, all parks satisfy legislative criteria for state parks.

This study concluded that criteria are needed in order to make wise decisions about where to spend park resources, although many people raised concerns about the implications of applying criteria and changing the status of what are often called “marginal” parks. The concerns raised and arguments in favor of using criteria are listed below:

Political obstacles to consistent application of criteria — Many people interviewed within and outside the park system argued that it is not politically possible to consistently uphold criteria for parks. By “political,” most people said they meant local residents’ unwillingness to give up the visibility provided by having a state park in their area. They pointed out that after the 1975 Outdoor Recreation Act established criteria, M.S. 86A.05, Subd. 13, was passed to grandfather in all existing parks as state parks.

Political considerations were also cited as contributing to unplanned growth in the system, though others noted that donations and availability of land and funding also play a role in determining where acquisitions are made. One citizen said that, despite planning for park acquisitions, “There is no reasonable way to predict where acquisitions will happen.”

The legislature has the final authority to designate and remove state parks, but the parks division has a significant role to play in promoting the use of objective criteria and asserting its own priorities based on these criteria. Without the consistent use of criteria by which to decide which parks or potential acquisitions fit in the state park system, decision makers lack the basic tools needed to responsibly allocate funds to the system. Lawmakers are urged to add to the system without having a system for judging which choices will have the most value to park users. It may not be possible to make entirely objective decisions about where to apply funds to the system, but having a set of meaningful criteria would increase the likelihood that money is designated where it is most needed.

Unclear system priorities — Several people interviewed noted that the Parks and Recreation Division has not always taken a strong stand in asserting its priorities before the legislature. The reason most often cited for this was the political sensitivity of suggesting that any parks do not fit the system. Legislators interviewed for this study, however, indicated that their interests go beyond protecting parks in their districts to ensuring that state dollars are spent on those parks that offer the best potential for serving Minnesota citizens’ needs.

The fact that criteria are not being consistently applied to the system indicates that not enough effort is being made to develop or assert the park system’s priorities. The division has not devoted enough effort to looking at ways to manage the current size of the system, let alone an expanded system, with limited state dollars. The primary focus of division management has been on ensuring adequate funding to support current operations and maintenance. However, those legislators interviewed said that without assurance that the division is looking at criteria or willing to question, “How much is enough?” they find it difficult to respond to continued requests for funding increases.

Belief that savings would be insignificant — Those interviewed also argued that not enough money is spent on “marginal” parks to justify managing them at a different level, such as satellite parks, recreation areas, other units of DNR, or local parks. In order to test this assertion, the study consultants asked those interviewed to identify parks they thought did not fit state park criteria. Many believed that some parks do not meet the criteria, but so few people were willing to offer their lists that it was impossible to develop a list based on the

assessments of park staff and stakeholders. Likewise, this study did not attempt to identify specific parks that do not fit state park criteria, because that would require a more extensive, park-by-park study than was possible to accomplish within the scope of this effort.

Because it was not possible to list marginal state parks and add up their cost to the system, this study therefore adopted an estimate made by several members of the park system, including a knowledgeable, high-ranking person in the division who listed specific "marginal" parks. The approximate cost of operating these parks is \$590,000 a year while revenues collected in these parks amount to approximately \$115,000. Within a budget of \$19 million, this amount was not regarded by many in the division as significant. However, if reallocated within the park system, that money would allow for extending a large number of seasonal staff positions, funding resource protection activities, or funding other high-priority activities in the system. Also, if criteria are used to guide future acquisitions, the savings realized by not acquiring some parcels could be even greater.

There is a nonmonetary cost to the system, as well, in not dealing with the issue of marginal parks. One assistant park manager summarized what many others expressed by saying that some parks are being strung along with a halfhearted effort, which many in the system believe lowers the quality of the entire system. Many field staff seem willing to consider not maintaining some units as state parks because it would boost the quality of the system as a whole and would allow reallocation of system dollars to other units.

Feared loss of federal funds — Several people interviewed raised concerns about federal guidelines on the use of Land and Water Conservation Act (LAWCON) funds provided to parks. LAWCON funds were provided to many state parks through matching grants for acquiring and developing outdoor recreation facilities. As a condition of receiving these funds, the state agreed to retain these lands solely for outdoor recreation. Recipients of LAWCON funds also must not make any major changes in the use of the area, such as eliminating swimming and camping from a park that included those services when LAWCON funding was given.

The LAWCON restrictions do not require that the lands be maintained as state parks. If jurisdiction of the park should change, the new operating agency must agree to maintain the park according to the same LAWCON guidelines. This has been done successfully in Minnesota: The former Traverse des Sioux State Park was transferred to the City of St. Peter in 1980 and is now maintained as a city park. The state is free to arrange for the operation of LAWCON-funded lands only by state agencies, local units of government, or Indian bands.

Future demands for parks — A final concern noted by interviewees was that it would be short-sighted for the state park system to consider giving up any units, given that future generations may see a higher demand for parks than exists today. However, it was not clear on what basis this prediction is being made.

This study attempted to discover how best to evaluate the potential for future park use by

consulting Department of Natural Resources planners and other experts in the field of parks. These people suggested that one factor should be current use trends. National Park Service data shows that demand for outdoor recreation is increasing across the country. Minnesota state park attendance has also increased during the last 10 years, although attendance has held steady for the past five years.

Another factor should be trends in where people are seeking recreation. Most increase in demand in Minnesota has been in areas easily accessible from the Twin Cities metropolitan area, which would raise the question, "Should the state or regional park system have jurisdiction if new parks are created for metropolitan users?"

New demands for park services should also be monitored and evaluated in light of the mission of state parks. Is the state park system the most appropriate provider of a new service?

Finally, consideration should be given to demand for preservation of lands in order to protect their natural features. This type of demand is difficult to measure, in part because of the public's tendency to not know what they've got "till it's gone." At the same time, the park system must have some guidelines for drawing the line and setting priorities for natural resource preservation. These guidelines should include whether an area of land meets agreed-upon criteria for state parks, or whether it better fits some other designation.

In short, state parks play a role in, but do not offer the only hope for, meeting future demand for public lands.

Alternative management options for marginal parks

This study concludes that a number of options exist for management of marginal parks that would maintain their status as public parks, but permit operating them at a lower cost. Some planning and transition costs will be incurred in any of these options, but the long-term savings is estimated to outweigh any short-term costs. All of these alternatives except mothballing have been tried by the park system and proved to preserve parks' accessibility for public recreation in a natural environment:

Satellite parks — Three state parks are operated as satellites of larger, nearby parks. Satellite parks may be managed either by staff of a nearby park or by seasonal managers. These parks continue to be open to the public and maintain their status as state parks. LAWCON funding is not jeopardized and local residents do not lose the visibility that the park brings.

It is difficult to measure savings achieved by operating satellite parks because current records of satellite park costs are mixed in with costs of operating the main park that provides satellite management. However, this study concluded after talking with park managers that the state would have to pay more to provide full-time management of satellite parks.

Recreation areas — The park system established this designation in 1993 to create a type of

unit to provide intensive recreation to large numbers of people in an outdoor environment. The 1994 Legislature established three units — Cuyuna, Minnesota Valley, and St. Croix Islands — as recreation areas, and transferred five units from recreation areas to state parks. The division does not yet have a management plan for recreation areas, but division management talk about managing them with few or no staff, and not making large investments in buildings or resource protection projects. It is also assumed that recreation areas would place less emphasis on natural resource preservation or interpretation than is done in state parks.

Mothballing — Division management said that “mothballing,” or taking parks out of use for a period of time, would be a good way to reduce costs while preserving the units for future use. Visitors would not be allowed to enter the park during this period, in order to minimize the need for maintenance. The time could be used to maintain roads, buildings, resources and trails, or the park could simply be left untouched for a period of years. The potential savings of this approach would equal the current operating costs of the unit, less the cost of any maintenance provided while the park is closed.

However, preventing people from using the park would violate the restrictions of LAWCON funding. The uses of a LAWCON-funded park may not be substantially changed without prior approval of the granting agency and the state would have to show that the change is in the best interests of outdoor recreation in Minnesota and in keeping with the state outdoor recreation plan.

Local government management — Those parks that serve a mostly local population and do not otherwise meet criteria for state parks could be transferred to management by local governments. This has been done in a number of instances, including Traverse des Sioux, Pine Tree, Pomme de Terre, and Tocqua Lakes state parks. These parks have remained open to the public, despite the fear that parks transferred out of state control may not be preserved for public recreation in a natural environment.

A number of options exist for transferring state park management to local governments. Among them would be to contract with local governments for management of state parks, which is permitted by M.S. 471.67. This would allow for maintaining the visibility of the park on state maps while promoting lower-cost management of the park.

Another approach would be to provide grants to local governments to enable them to assume management of parks that have been removed from state park status. After this initial support, the local government may pick up the cost of operating the park or negotiate a subsidy from the state that could be phased out over time. In either case, the cost to the state would be reduced over the longer term.

In order to select an appropriate approach to transferring parks to local governments, the Division of Parks and Recreation should work with local people to learn what concerns they have and what would make the transfer most workable for them.

Transfer to other DNR-managed designation— If the primary value of a particular unit is to provide plant or animal habitat, M.S. 86A.05 gives the Department of Natural Resources several options in addition to state parks and recreation areas for preserving natural resources. State scientific and natural areas, state wilderness areas, state forests, and state wildlife management areas provide for a variety of options for resource protection and recreation that cost the state less money because they require less maintenance.

Transfer to Minnesota Historical Society— Throughout the study people within and outside the park system questioned whether some parks better fit the definition of historic sites than that of state parks. Soudan Underground Mine was specifically mentioned by several people, although others brought up Fort Ridgely and Charles A. Lindbergh. In investigating the difference between historic sites operated by the Minnesota Historical Society and those operated by parks, this study found that there is some overlap, but that the historical society seeks to administer historic sites of “statewide significance.” A historical society official reported that the society is about to review its historic sites to see whether all of them are of statewide significance and fit into telling the history of the state. This presents an opportunity for the parks division to discuss with the historical society which agency is more appropriate to administer sites like Soudan Underground Mine. The two agencies would need to find the most cost-effective and customer-friendly way of sharing administration or assigning administration to one agency or the other in specific cases.

Recommendations

6. The parks division should make use of meaningful criteria for state parks and recreation areas and use them to defend the system’s priorities to the legislature, so the legislature and the division can use them to:
 - decide when to acquire new parcels of land;
 - decide how to allocate staff and money throughout the system; and
 - interpret and market the system to the public.

Once mission priorities have been more clearly defined, it would be easier to develop and apply such criteria.

7. Criteria for a state park should include that it:
 - contains resources of statewide significance
 - draws from more than a local population
 - represents a unique landscape region
-

Criteria for a recreation area should include that it:

- offers outstanding opportunities for outdoor recreation
 - draws from more than a local population
 - boasts resources that permit intensive recreational use by large numbers of people
 - provides recreation in a recreationless area (should not be in lieu of municipal, county or regional facilities)
8. Parks that do not meet these criteria should be studied by the park system in cooperation with local residents and counties or other potential future administrators to determine the best designation for the park. The alternatives listed above should be considered as decision makers search for the appropriate designation. The park system should make clear to the legislature and local park supporters the rationale for any change and should seek solutions that address communities' concerns while upholding the priorities of the park system. This study found that, given real budget pressures that are unlikely to go away soon, the state park system needs flexibility to transfer units, if appropriate, to other designations. M.S. 86A.05, Subd. 13, should be modified to allow the transfer of parks that do not meet agreed upon criteria for state parks.
9. The Department of Natural Resources should monitor trends in demand for outdoor recreation and cooperate with other providers of recreation and resource protection to ensure that public lands are available to meet future demand. Decisions about the future size of the system should be based on use trends, location of the demand, and whether proposed acquisitions correspond to the mission and fit established criteria for state parks.
-

FUNDING

In the early 1980s, many states experienced sharp declines in spending for parks. These cutbacks were spurred by decreases in federal grants for states to buy and develop parklands and by a general downturn in state economies. As a result, increased attention has been placed on finding the appropriate mix of funding to support park operations.

States use a variety of sources to fund park operations. General government revenue makes up the majority of funding for state parks. The second largest source is facility-generated income, such as user fees, charges, access permits, rental income, and reservation charges [1]. The funding trend in state park systems is toward self-sufficiency, according to an analysis conducted by Douglas Eiken, director of the Missouri Parks and Tourism Department. State park systems are being asked to generate significantly more revenues than in the past, to replace government funding [2].

Dedicated funds

Some states have established special funds as an additional revenue source. They include:

- Taxes on alcohol, tobacco or gaming
- Earmarking a portion of a state sales tax
- Severance taxes on minerals, oil and gas exploration
- Excise taxes on public documents

A review of the use of special funds by the Conservation Foundation [3] suggests that special funds are most successful when the revenue source is relatively stable and related to the activity being funded, a long-term goal is laid out, and the source has a strong constituency. Two examples of successful, long-running funds illustrate these points. The Pittman-Robertson Act has directed federal excise taxes on firearms and ammunition sales to wildlife restoration projects since 1937. The Wallop-Breaux Sport Fish Restoration Aids are funded through a federal excise tax on sport fishing equipment, import duties on fishing equipment and boats and an excise tax on gasoline sales for motorboats. Use of the funds is limited to wildlife and sport fishing projects that ultimately benefit the payers of the excise taxes.

The report also cautions against viewing special funds as a panacea. Most special funds must still be appropriated annually by the legislature. In tight budgetary times the legislature may shift earmarked funds from the park budget to a more needy program. In addition, special funds may not be a stable source of revenue, creating fluctuations in the parks division's budget. Finally, fiscal experts oppose special funds because they may reduce accountability and flexibility.

Using a dedicated fund has several advantages and disadvantages. The characteristics of the fund (its source and uses) can determine the fund's success:

Advantages

- Could provide a stable source of revenue
- Reliance on general funds is lessened
- Assurance of funding promotes better planning
- Beneficiaries of spending from the fund can also be those who finance it

Disadvantages

- Dedicated funds may be seen as a substitute for general funds
- Direction must be given on how funds can be used; oversight of use is necessary
- Increasing use of dedicated funding, with restrictions on how money can be used, reduces flexibility for fiscal policy makers and program managers
- Dedicated funds could be diverted to other uses if there is not a strong connection between the funding source and the activity that it funds
- Fluctuation in special fund revenues could produce instability in funding

User fees

User fees are an appropriate source of revenue because they concur with economic principles. A central theory in economics is that those who benefit from a service should pay for it. Parks provide benefits both to visitors and to the general public. Park users receive a direct benefit from their park visit. The general population benefits from having a resource protected now and in the future.

Despite fears to the contrary, park visitors are willing to pay for the use of the park. This study's research using current literature on park fee trends and interviews with other park system managers consistently shows that most participants would be willing to pay substantially higher user fees for most publicly provided recreation activities. Most reports by park systems showed that increased fees brought no decrease in attendance. Even in those cases where increased fees did lead to reduced usage, the effect was short-lived. In all cases, revenue increased [4]. Results of surveys presented by the Minnesota state parks division showing that some park visitors would visit more often if fees were lowered did not appear to contradict this study's findings. Survey respondents were asked whether they would visit state parks more often if they were "less expensive" or "more expensive," without being informed about the purpose of or need for park fees.

An additional benefit of collecting user fees is decreased enforcement and security costs. DNR park managers consistently stated that charging a fee increases a visitor's appreciation of the park and reduces vandalism. In fact, research has found that controlled access coupled with entrance fees has positively affected the actual and perceived safety and security in the parks [5].

One disadvantage associated with user fees can be their cost of administration. Expensive methods of collection, such as contact stations, may not be cost-effective when the revenue collected there is compared with their operating expenses. Fees for specialized services are also more expensive to administer than general entrance fees. However, many other collection methods can be more cost-effective; examples include kiosks, honor boxes, sales of stamps or licenses off-site, reservation systems, centralized collection sites, and collection by roving staff. Each method must be considered individually to determine administrative costs, visitor convenience, and how well it will work in a given situation.

Another drawback of charging user fees is the possibility of deterring people with lower incomes from using the park system. People with lower incomes constitute a smaller proportion of the users of parks than would be predicted, based on their proportion of the population. Many researchers have suggested that user fees are not the cause of their disproportionately low attendance, but that factors are transportation and equipment costs in conjunction with the smaller amount of leisure time available to people with lower incomes. However, the effect of user fees on the use of state parks by people with lower incomes is inconclusive. Some park systems have implemented special programs to ensure that they are not prevented from using the parks because of the cost of a user fee. For example, the Suburban Hennepin Regional Park District offers a voucher to people receiving economic assistance that entitles them to a free annual permit.

Capturing costs

An analysis was conducted in order to determine the cost of benefits received by park visitors. The analysis was based on information derived from the parks division's cost-accounting system. The cost-accounting system is the parks division's method for tracking and attributing expenditures to a particular activity. This system records the number of hours spent on different activities by parks personnel. Supplies and expenses are not coded in this manner.

For FY 93, 94 separate time-reporting categories could be grouped into 17 general categories. For this analysis, the 17 general categories were classified as either a benefit to the general public or a benefit to park users. The general public category contained all expenditures related to the preservation of the park system. This included maintenance of buildings and roads, staff training, care of vehicles, and resource management.

The user category encompassed all costs associated with the direct use of a state park. These categories were staff time related to maintenance of the beaches, mines, golf courses, and grounds and trails, operating contact stations, cleaning park buildings, garbage collection, interpretive services, and security and enforcement. The categories of park administration and clerical were assigned 60 percent to the general public category and 40 percent to the park user category, based on interviews with park officials.

The rationale used to assign activities to the general public or user categories was also based on conversations with park officials. Several of the general public categories, such as interpretive services and security and enforcement, were considered to benefit both park users

and the general public. In the future, such activities may need to be divided between the two categories. Similarly, park staff acknowledged that the supervision category is currently interpreted differently by a number of different staff and ought to be broken into several more distinct categories to be useful in this type of analysis.

The cost of each category was then calculated by multiplying the number of hours of labor by the estimated cost of that type of labor. The estimated labor cost was an average of actual FY 93 salaries and benefits for different job classifications. Table 6 provides a summary of this analysis.

It was estimated that 56 percent of the labor costs were for user-related activities. Activities that benefitted the general public were 43 percent of labor costs. These percentages, which do not total 100 due to rounding, are the best estimate available on the cost of providing benefits to park users.

The operating budget for the park system was \$19.1 million in FY 93. If it is assumed that 56 percent of costs benefit users, the park system should have raised \$10.7 million in user fees to account for the full cost of the benefits received by park visitors. During that year, \$6.1 million in park-generated revenue was collected, which included \$428,000 in sales tax, \$369,000 gross income in merchandise sales, and \$58,000 in ski license fees.

Setting user fees

Pricing of user fees across the country does not appear to be based on any known criteria. The prevailing approach is to raise prices by some arbitrary percentage [6]. Little effort is made to determine who benefits, who pays, and what level of benefits and payment is involved for each service.

Pricing decisions for the Minnesota park system appear to be made in a similar manner. Interviews with DNR park administrators revealed that a request for fee increases tends to occur only when increases are considered politically feasible. The amount of the increase is not chosen in a systematic manner. Some information is gathered on what other park systems are charging and officials estimate how much they think fees can be raised. Little analysis is conducted of the cost of the service or park users' willingness to pay.

Once pricing decisions are made within the DNR, as authorized by M.S. 84.03, the legislature retains the right to set the amounts of those fees in statute. This study found that this dual responsibility for setting fees causes confusion in the parks division about what authority for fee setting they actually have.

Table 6. Analysis of benefits to park users vs. the general public

Classification	Cost-accounting category	Reported hours ¹	Est. labor cost per hour	Est. annual cost	% of costs ²
General	Supervision	97,550	\$20.25	\$1,975,383	19%
General	Clerical	44,948	\$11.80	\$530,388	5%
General	Road & parking lot maintenance	10,460	\$12.73	\$133,159	1%
General	Building, facility & utility maintenance	58,687	\$12.73	\$747,092	7%
General	Washing/cleaning vehicles	17,416	\$12.73	\$221,699	2%
General	Training of staff	22,640	\$20.25	\$458,463	4%
General	Resource management	29,221	\$14.00	\$409,094	4%
General cost subtotal				\$4,475,278	43%
User	Golf course	1,753	\$12.73	\$22,320	0%
User	Mine	13,628	\$12.73	\$173,478	2%
User	Supervision	65,033	\$20.25	\$1,316,922	13%
User	Clerical	29,965	\$11.80	\$353,592	3%
User	Sanitation & building cleaning	57,984	\$12.73	\$738,136	7%
User	Grounds maintenance	38,449	\$12.73	\$489,456	3%
User	Trail maintenance & operations	13,886	\$12.73	\$176,765	2%
User	Contact station	106,972	\$12.73	\$1,361,754	13%
User	Security & enforcement	23,011	\$12.73	\$292,935	3%
User	Interpretive services	51,818	\$16.00	\$829,089	8%
User	Beach	11,166	\$10.00	\$111,659	1%
User	Garbage collection	8,045	\$12.73	\$102,411	1%
User cost subtotal				\$5,968,517	56%
TOTAL		702,633		\$10,443,795	100%

¹ Hours do not include paid time off.² Percentages do not total 100 due to rounding of figures.

Public misconceptions

Some park visitors do not understand why they should pay a fee to enter the park when they are already paying through their state taxes. They are not aware that the permit contributes to recovering the cost of recreation services provided in the park, not the cost of access to the park.

The public should know that the permits are not an access fee, but rather that they help to cover the cost of the effect visitors have on the resource. Furthermore, when fees are increased, public acceptability is increased if users are informed about the need for the increase, the services being provided, and the services that would be lost if no fee increases were made.

Some park users have also expressed confusion regarding the two-day permit. Park managers and staff report that most park visitors visit the park for just one day and that some visitors are upset that they are paying for an extra day's worth of use.

Pricing innovations

The decrease of tax support for park operations has led to numerous innovations for generating fee-based revenues by other state systems. Some of the more noteworthy programs are discussed here.

Pricing of campsites is one area that has undergone considerable innovation over the past 10 years. Campground use is unevenly distributed across space and time. Use is heavily concentrated in the summer season, especially on weekends and holidays. In addition, certain campgrounds receive heavy use because of their attractions, reputation, access, or other characteristics.

In an effort to redistribute the use of parks and to increase revenues, numerous park systems across the country, including Minnesota, have implemented differential fees. Charging differential fees means charging different fees for the same basic facility or service. For example, a lakeside campsite may cost \$2 more than a similar campsite without lake access, or the same campsite may have a higher price on holidays and weekends than on weekdays.

Research on differential pricing of campsites in Vermont state parks revealed that differential fees can substantially raise campground revenues and shift campsite use from the more heavily used sites to underused sites [7]. In addition, interviews with officials from seven state park systems that currently use differential pricing supported these findings. Each of these park systems reported that differential pricing for campsites was successful and no public resistance to the different fees has been experienced.

One area of caution was raised by the Vermont study. Differential pricing may have a discriminatory effect on persons with lower incomes. Although the differences were quite

small, campers with lower incomes had a greater tendency to choose lower-priced campsites than did campers with higher incomes. The study recommended that differential pricing be implemented carefully, so that this possible effect can be evaluated and monitored.

Another area of innovation is in the charging of fees for interpretive programs. The Suburban Hennepin Regional Park District charges \$1 per person for school groups receiving interpretive programs. They also charge a small fee for some programs offered to the general public in order to recover the cost of materials. Other park systems have also adopted this arrangement.

In addition, park systems have contracted with other entities to offer interpretive programming. In New Hampshire, interpretive programming is offered by the Audubon Society within the parks. The Audubon Society charges a fee to people who attend the program to cover their costs.

At least one Minnesota state park has tried a similar approach. The park manager at Lake Maria has arranged for instructors from nearby community education programs to offer workshops within the park. The community education program charges a fee for the program and the park collects a \$2 fee per person for use of the park. This arrangement allows for more interpretive programs to be offered within the park at no additional cost to the park system and for some revenues to be collected.

The Minnesota state park system has introduced several other pricing alternatives, including differential fees for senior citizens, fees for shelter reservation, a fee-funded reservation system, converting former park managers' residences into rental units, and piloting a program with camper cabins.

Cost-accounting

The current cost-accounting system is not structured in a way that facilitates the determination of costs for each service delivered. First, categories are too specific in some cases and too vague in others. For example, in FY 93, more than 164,000 hours — roughly 19 percent of all hours of labor — were spent in a category titled “park administration.” No breakdown of this category is available. Mowing, however, has three categories, which total about 16,000 hours combined. Second, as mentioned earlier, supplies and equipment are not entered into the cost-accounting system; as a result, the cost of certain activities such as camping cannot be determined.

Sales and rentals

The Minnesota park system also generates revenue through the sales of souvenirs, firewood, and other items, and through the rental of equipment. The parks division operates a separate

Table 7. Revenues from the Working Capital Account

Type of merchandise	Amount of revenue	Percent of revenue
Equipment rental	\$44,460	2
Firewood	228,252	13
Ice	32,853	2
Souvenirs	1,071,908	61
Other	392,553	22
Total	\$1,770,027	100

accounting system for these activities. In 1993, the sales and rental of items cost approximately \$1.5 million and earned \$1.8 million in revenues, with a gross income of \$369,000 before subtracting other labor costs. As shown in Table 7, more than 60 percent of the revenue collected in FY 93 was from the sale of souvenirs, referred to as the "nature store." Sixty parks reported revenues for the nature store, although 90 percent of the revenue was generated by 11 parks and mail-order sales. These percentages will change in the future with the change in the way that Douglas Lodge receipts and expenditures are recorded.

Operating a nature store requires the use of staff time for ordering and inventory control paperwork, as well as for the sales of merchandise. Several park managers said the real cost to them comes in planning what to order and following certain procedures such as ordering park-specific merchandise and reducing prices according to the centrally determined mark-down schedule. The costs of sales and rentals do not include this staff time as an expenditure except in two parks that have a major gift shop. As a result, the \$369,000 overestimates the gross income of the Working Capital Account.

Recommendations

10. The state park system should be funded by a mixture of general tax dollars and user fees. The goal of the parks division should be to collect enough revenue to cover the cost of the benefits accrued to park users.

Park users and the general public benefit from the state park system. Both groups should be asked to contribute to the cost of the benefits they receive. According to an initial analysis of park expenditures, the goal should be to raise enough of the operating budget from user fees to cover the cost of benefits users receive. This analysis found that 56 percent of the operating budget should be raised through user fees, but it is based on a flawed cost-accounting system. In order to improve the analysis the division may need to expand some categories of cost data collected and streamline others, with a goal of

more clearly identifying what activities produce benefits for users and which benefit the general public. The rationale for assigning costs to general-public or user-benefit categories should be further developed in consultation with park staff, customers and stakeholders.

A precise goal for how much revenue to collect through user fees should be set when the rationale is understood and agreed upon and the cost-accounting system is updated for this purpose.

A special source of revenue is not recommended unless it can be shown to be stable and is naturally related to parks.

11. A pricing strategy should be developed for all fees and charges set for state parks.

Pricing of user fees does not appear to be based on any known criteria. The parks division should develop a strategy for pricing of fees and permits. The pricing strategy should include the following steps:

- A. Estimate the cost to operate and maintain the activity for which the fee is being collected.
- B. Decide how much of the cost should be recovered through the collection of a fee. Some services should be self-supporting, while the cost of others should be partially recovered or fully subsidized. The decision should also take into account what price the market will bear, what other recreation programs are charging, and the impact of a new or increased fee on users or potential users with limited ability to pay.
- C. Select a price based on either a cost-recovery formula or a simple directive, where appropriate.
- D. Evaluate the price of the fee or permit every two years.

Confusion over who has authority to establish fees should be resolved. This study found that the authority more appropriately resides with the DNR commissioner as established in M.S. 84.03.

12. This study found in reviewing effective practices of other park systems and studying national literature on park funding systems that the Parks and Recreation Division could increase the revenues it generates by the following means:

- Raise the price of annual permits
 - Eliminate the reduced price for annual permits for senior citizens
 - Expand differential pricing for camping
 - Charge a fee for more interpretive programs
-

- Collaborate with the Trails and Waterways Division to discuss the implementation of new activity fees

The study took into consideration the potential effect of fee increases on demand and concluded that these fee increases would not adversely affect demand for park use.

The \$18 annual permit price has been in place since October 1991. A fee increase at this time is appropriate, because the cost of park operations has increased since then. Raising the annual permit fee to \$20 should not affect park attendance. Previous rate changes in Minnesota state parks have led to an increase in revenue. Other park systems, such as the Suburban Hennepin Regional Park District, are charging this rate without much public dissent. Increasing the fee to \$20 would raise approximately \$150,000 per year in additional revenue, based on 1993 figures.

The reduced annual permit rate for senior citizens should be eliminated. Senior citizens have more leisure time available to use the parks and have incomes comparable to the rest of the population. The discounted permit price is an unnecessary subsidy. Elimination of the discount would raise about \$78,000 per year, using 1993 figures.

Differential pricing for campsites has been used successfully in numerous other park systems. The Minnesota park system charges higher rates in some parks for camping; the use of differential fees should be expanded. Different rates should be charged for prime sites within a park, and a surcharge should be placed on camping fees for weekends and holidays during the summer season.

The implementation of differential pricing among sites within a campground should proceed carefully. Differential pricing should be piloted in several parks and the results evaluated before extending differential pricing to the entire park system. The evaluation should include an examination of administrative costs associated with differential pricing and the effect on persons with lower income.

Many park systems collect a fee for interpretive programs. The Minnesota park system should also charge a set fee for school groups and collect a small fee to cover the cost of materials for a program. This would bring state parks into line with many other services enjoyed and paid for by school groups. The parks division should also look into expanding the amount of interpretive services offered by coordinating or contracting with other entities to provide interpretive programming in the parks.

Another way to generate additional revenue is to charge fees for particular activities. For example, Minnesota collects an activity fee for cross-country skiing. The fee helps to recover the cost of grooming trails. Similar fees could be charged for such activities as biking, rock climbing, and horseback riding. These activities all place a burden on park resources; therefore, collecting a fee to cover all or part of the costs is appropriate. The parks division should collaborate with Trails and Waterways to discuss the implementation of new activity fees.

13. The parks division should clearly communicate to the public its pricing decisions.

The public should be aware that permit fees are not an access fee, but that they cover the cost of the effect visitors have on the resource. Furthermore, when fees are increased, public acceptability is increased if users are informed about the need for the increase, the services being provided, and the services that would be lost if no fee increases were made.

14. Explore replacing the two-day permit with a daily permit.

Some park visitors are frustrated with the need to purchase a two-day permit when they intend to use the park for just one day. Replacing the two-day permit with a daily permit may eliminate this frustration. The daily pass could replace the current two-day permit but retain the \$4 fee. Campers who purchase a daily permit could be allowed to use the pass until checkout time the following day. Whatever solution is chosen, the division should be sure that it addresses visitors' frustrations with the two-day permit.

15. The Parks and Recreation Division should adopt a different cost-accounting system.

A new cost-accounting system should have fewer, but higher priority, categories. Supplies and expenses should also be coded and allocated in the same manner as labor costs. The cost-accounting system should include only those categories that provide important information to the division. Many current categories could be eliminated while others could be added.

16. The Parks and Recreation Division should conduct an analysis of the expenditures and revenues of the nature store by park unit. Nature stores that are not generating reasonable income should be better marketed to increase revenue or discontinued.

The majority of revenue for the nature store is being collected by a small number of parks. Because costs are associated with the operation of a nature store, if a reasonable income is not being generated by a park, that park would be better off closing the nature store. The parks division should account for all costs of operating the nature store within the working capital account. This includes staff time related to the sale of souvenirs and paperwork related to the operation of the store.

ENDNOTES

1. Douglas K. Eiken, Revenue Programs in State Parks of the United States. Selected papers from a workshop conducted by the National Association of State Park Directors at the IV World Congress on National Parks and Protected Areas, Caracas, Venezuela, Feb. 10-21, 1992.
 2. *Ibid.*
 3. Phyllis Myers, State Parks in a New Era, Vol. 2, *Future Directions in Funding*, the Conservation Foundation, 1989.
 4. Robert Aukerman, User Pay for Recreation Resources, Colorado State University, 1987, p. 100.
 5. James E. Fletcher, "The effect of controlled access and entrance fees on park visitors' safety and security." *Journal of Park and Recreation Administration*, 1984, Vol. 2, No. 4, pp. 12-23.
 6. J.L. Crompton and C.W. Lamb, "How to find the price that's right." *Parks and Recreation Administration*, Vol. 3, No. 1, pp. 28-32.
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MANAGEMENT and OPERATIONS

The structure of the Minnesota state park system gives it some inherent management problems. State park units are the frontline deliverers of park services to park visitors. By definition, they are widely dispersed sites, cut off from the regional and central offices, and each other, by distance and limited communication links. Regional and central offices, which provide support to the park units, are also remote from one another.

One result of this separation is that systems of communication, accountability, and decision making are more difficult to develop and operate. The traditional approach to managing this type of organization is to centralize systems in order to ensure a certain degree of uniformity and control over operations at the remote sites. Efforts are made to develop systemwide policies and rules in order to minimize the need to respond individually to the needs of 65 separate parks and six regions.

This structure has some effects:

- Difficulty in communicating among different levels of the organization contributes to a lack of trust, particularly between the parks and the central office. The mistrust goes both ways, with both park staff and St. Paul staff questioning each other's relevance and credibility.
- Multiple levels of approval are developed in order to ensure accountability among different levels of the organization.
- The power in the organization is perceived by those in the field to reside in the central office rather than in the parks, where the "action" of the system takes place. Despite the existence of a team of administrative staff made up of field and central office managers and numerous task forces and committees designed to bring field input into decision making, this perception persists.
- Innovation can be stifled in the field as a result of tight controls on field operations.

This situation is not unique to the Division of Parks and Recreation. Most DNR divisions and other state agency divisions are similarly spread throughout the state. These circumstances are not the fault of parks division management, but they do demand an approach to management that focuses on how to provide support to the frontline park units despite the difficulties of working in different locations.

Hierarchical management structure

This study found that the St. Paul office operates more as a controlling, top-down-directing body than as a supporting service in its relationships with regions and parks. Although the desired effect of this may be to make management of a large and diverse system more efficient, the effect has been to inhibit field operations.

Examples of this situation were provided during visits and interviews with staff at all levels:

- At the regional and park levels, staff complained of being overburdened by uncoordinated and sometimes duplicative requests and directives from St. Paul. Some staff listed this as their primary difficulty in attending to their other work. St. Paul staff admitted that they do not meet to coordinate their work or their requests of the field.
- Requirements for multiple levels of approval, and the distance between St. Paul, the regions, and the parks, can make decision making a cumbersome process. For example, the process for getting a park-specific T-shirt designed involves approvals by all three levels of the organization and takes six months to complete. Although this process was developed by a committee of staff from all levels of the organization, some of those staff reported that the process had become “a nightmare.” In another example, processing invoices for goods and services bought by parks, three people at two different levels write up and check the accuracy of each bill.
- Most park managers and regional staff reported helpful relationships with one another. Park managers feel free to call on their supervisors at the regional level for information and help in dealing with difficulties in their jobs. Regional managers likewise reported good relations with park staff, though they regretted not having more time for long-range planning and problem solving with individual parks.

However, regional managers reported spending a significant amount of time relaying information from the parks to St. Paul and from St. Paul to the parks. One regional manager said that he tries “to clarify and screen communications from one side to the other.” Regional managers did not believe this was an effective use of their time.

- The division’s minimum operating standards do not include regional and St. Paul activities, although these are being developed. This means that the division’s cost-reduction matrix, which is based on the standards, does not yet include most administrative activities among those that are to be cut if budgets fall short of costs. This has caused the appearance that the division places greater value on its own bureaucracy than on service to the public.
 - While the division monitors attendance, revenues collected, costs, and other activities at individual parks, no system exists for evaluating regional and central office effectiveness. Without review by those who are served by administrative functions, such as communication, management, or business systems, the division may be continuing ineffective practices and programs.
 - Field and central office staff alike reported “antagonistic” relationships among members of the division. In the central office, it was reported that “turf” concerns among different
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programs often prevail over a shared, coordinated, supportive approach to administering the park system. These reports indicate that the lack of trust and cooperation within the division goes beyond relationships among parks, the region, and St. Paul to include relationships between programs and senior managers.

- At the park level, some staff reported feeling that they are viewed as less significant members of the organization than are division administrators. Several park staff said, "Central office's attitude is that they exist because the field causes problems." To some extent, this attitude is a natural byproduct of having a geographically dispersed organization. However, consultants for this study observed a number of practices that could contribute to this perception, such as weak communication from central office to the field, a lack of awareness of burdensome requests of field staff, and systemwide controls that can be applied too broadly. (These practices are described later in the report.)

Whether the attitudes described are real or perceived, they reflect many people's insecurity about their value to the system.

There is a cost to managing the park system in this way. It is impossible to calculate the hours spent seeking approvals, working around one another rather than together to get things done, protecting different levels of the organization from one another, and sending and responding to uncoordinated requests and directives. Most staff were able to name a number of other high-priority activities they would like to be able to complete if time could be conserved.

Recommendations

17. The St. Paul office should become more supporting and less controlling of the park system. This should be reflected in everything they do and evaluated to see whether they are effective in changing their orientation toward parks.
 18. Central office management should coordinate its activities through regular communications, joint planning, problem solving, and monitoring of demands placed on the field. Steps to bring this about include:
 - Weekly staff meetings of central office staff, facilitated if necessary by an outside person to guide them in leading effective meetings. Meetings would include updates on work and legislation, training, problem solving, and problem identification.
 - Annual planning to set goals (in keeping with the division's strategic plan), coordinate central office activities, monitor progress, and identify long-term projects.
 - One person authorized to ensure that the above activities take place and to monitor central office coordination throughout the year.
 19. The central office should devote its energy to finding ways it can ease the burden of work at the regional and park levels. This would include eliminating unnecessary layers
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of approval and reviewing administrative systems to see whether their benefit outweighs their cost.

20. The division should undertake a process to determine the levels at which authority for decision making resides and strive to push authority for decision making to the lowest possible levels in the organization. A useful method is the RACI process, which involves developing a matrix with routine decisions listed on one pole and people involved in decision making listed on the opposite pole. RACI is an acronym describing different types of involvement in decision making. For each routine decision, people are designated as either having responsibility for a decision (R), having approval authority (A), needing to be consulted (C), or needing to be informed (I). The matrix helps an organization to clarify who has authority for different decisions, to reveal opportunities to push authority for decision making downward, and to demonstrate where confusion may exist over decision-making authority. It also helps illustrate that all of an organization's members have a role in decision making, even if it is to be consulted or informed.

Systemwide controls

The division has emphasized the value of consistency across all parks. This includes the dates on which parks open and close their seasons, numbers of hours contact stations will be kept open, other work standards, and fees.

In some cases it is necessary to maintain consistent expectations of parks across the system. For example, safety standards must be upheld to a certain level in all parks. Federal laws such as the Americans with Disabilities Act require that all public facilities provide a certain level of accessibility. It also makes sense to apply systemwide policies to concerns over liability and opportunities for efficiency such as systemwide purchasing. However, other than with standards dealing with safety, accessibility, liability and efficiency, this study found that the park system stands to lose more than it gains by applying consistency across the system. The goal of such a change would be to improve service to visitors by allowing greater discretion by park managers to respond to local circumstances.

Some problems associated with systemwide consistency are:

- Not all parks have the same weather or visitor patterns. Different features such as fall colors, ski conditions, and special hunts attract visitors at different times of the year. Therefore, some parks will attract visitors at vastly different times than others.

The most striking example of systemwide controls being applied regardless of weather or visitor patterns occurred in summer 1992. Park visitors and staff interviewed for this study still talk heatedly about this time, when the division mandated that all parks cut a portion of contact station hours and leave empty 80 percent of campsites in order to deal with a budget shortfall. Park managers reported that visitors did not understand why they were

turned away from empty campsites and said that in some cases the parks lost more revenue than was saved by turning people away. A member of a citizen advisory group to one park called this approach to cost savings "lazy management."

The division did not continue this policy beyond 1992, but its effects are still felt and talked about by staff and park visitors who remain wary of future systemwide cutbacks.

Although the standards process does allow variation in the length of peak, moderate, low-use, and winter periods among different parks, the process was described by some park managers as rigid and unevenly applied across the park system. The division could find new ways to control costs associated with season length, such as authorizing park managers, in cooperation with regional managers, to allocate hours as needed to accommodate local park circumstances.

- Not all parks conform to the standard number of contact station hours. Variables include number and flow of visitors into the park, proximity to the metro area, camping patterns, and climate. The argument given in favor of setting standards for contact station hours is that park managers' instincts are to please the public, which for some people means staffing the contact station as much as possible. Although this may be true, there may be other effective ways of influencing park managers to minimize contact station hours, such as holding managers accountable for certain results and allowing them to decide where staff time can be spent most effectively.
- After operating standards are set and a budget allocated to a specific park, park managers differ in how they actually spend hours within their parks. There is always a need to shift hours from predicted needs to actual needs because weather and visitor patterns cannot be predicted with complete accuracy. Many park managers go ahead and apply hours where needed, and report no penalty for doing so. Others try to live by the letter of the standards. This practice appeared to vary depending on the park manager's willingness to bend the rules. However, rules for shifting hours among different activities have not been spelled out.

The consequence is that many parks are operating according to guidelines that do not match actual needs in the park.

- As discussed in the funding section of this report, differential pricing helps to prevent overuse of the most popular campsites. The park system would benefit if differential pricing was employed more widely to encourage the use of lesser-used campsites. (See Page 46 for a complete discussion and Page 49 for the recommendation.)
 - Parks with unique features, such as Soudan Underground Mine or Itasca's Douglas Lodge, sometimes are unable to meet visitors' expectations for special services, because systemwide controls prohibit it. At the mine, tour bus drivers and tour guides complain that they are not allowed a discount on admission, as is the industry norm. Similarly, Douglas Lodge would like to be able to offer coupons to attract customers at lesser-used times. In both cases, exceptions to systemwide policies about discounts and coupons would cost little and allow these managers greater flexibility to satisfy their customers.
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Field staff seem comfortable with the concept of diversity within the system and want flexibility to place an emphasis on certain services to meet their particular visitors' expectations. Central office managers expressed concern that the integrity of the system may be damaged by giving up some systemwide consistency. However, park users interviewed for this study said that they did not expect to encounter the same conditions at each park.

Recommendations

21. The park system should establish which policies need to be maintained systemwide. This study finds that issues such as the following should be addressed through statewide policies:

- Safety
- Accessibility
- Liability
- Efficiency

22. Where it is not necessary to maintain systemwide policies, individual parks should be allowed to make decisions based on individual circumstances. Examples of decisions that should be locally based are:

- Season beginning and end dates
- Contact station hours
- Adjustable hours as needed, once a park's standards have been established and the park budget has been set

Regional managers should hold park managers accountable for fulfilling basic requirements in parks, regardless of how strictly their actual hours correspond to standard hours, by setting expectations and monitoring performance.

23. The system should not impose policies, such as those mentioned at Douglas Lodge and Soudan Underground Mine, that prohibit parks from responding to reasonable visitor expectations. Where parks have unique features that generate unique visitor expectations, park managers should be allowed to decide whether the request will compromise the park's integrity. Regional managers may be given authority to oversee such special situations.

Planning systems

The 1975 Outdoor Recreation Act required that each park develop a management plan for administration of the unit. These plans were developed over a 10-year period by a staff of as many as nine planners plus additional support staff. Management plans included detail on the

park's history, climate, geology, and use trends; inventories of waters, fisheries, soils, vegetation, wildlife, and prehistoric and historic sites; descriptions of existing and proposed recreation development; and detailed information about the park's interpretive program, proposed boundary modifications, maintenance and operations and plan implementation. The plans have not been updated since this initial systemwide planning effort.

Park managers today say that these plans have outlived their usefulness. Some parts of the plans have become irrelevant as new priorities have replaced those included in the 10- to 15-year-old plans. Some park managers said that the development priorities in their plans were never funded, making the plan irrelevant to their actual needs.

The Outdoor Recreation Act management plans also included a large amount of detailed information describing park boundaries and resources. Park managers say they still pull out the old plans to make use of these pages, but even those have become outdated as park boundaries and facilities have changed.

Meanwhile, the parks have neither plans nor a planning process to develop useful, flexible plans in a timely manner for day-to-day park management.

The division has undertaken a process to revise the Outdoor Recreation Act management plans, but only one of four full-time planners is dedicated entirely to this process. Other planners spend most of their time on special projects for the division, such as helping in negotiations over the widening of a highway near Cascade River State Park, participating in exploration of using "pumped hydro" technology to generate electricity through the pumping of Hill Annex Mine, and facilitating meetings to negotiate a variety of other projects throughout the state.

Even central office planners agree that this process, if conducted with current staff and following the form of the old plans, will take 60 years to complete. The revised plans are supposed to last for 10 years, though many park managers agreed that circumstances change enough within 10 years to make a plan obsolete by that time.

Moreover, most park managers interviewed were not interested in repeating the Outdoor Recreation Act planning process. They are interested in developing plans that would help them in day-to-day work planning, problem identification and problem-solving, long-range customer-service planning, and recreation and resource management planning. Park managers also said they would like to play a larger role in the development of park unit plans than they had in the development of Outdoor Recreation Act management plans. They would like assistance from division planners who would provide a process for planning, with park managers providing the content for those plans. These preferences were confirmed by the division's own 1993 survey of park managers' desires for park planning.

In addition to this, interviews with nonmanagerial park staff indicated that some parks need an assessment of internal practices prior to planning in order to improve systems such as communication and day-to-day work planning.

The division needs to ask itself, "Why are we planning? What are the most critical planning needs within the division? How can planning staff be best deployed to address those needs?" The answers to these questions may reveal that the most critical challenges facing most parks include how to manage increasing demands for work on special projects involving their parks, how to improve communications within the park to enable park staff to solve their own problems and be as effective as possible, and identifying top priorities for their work in the coming year.

The division has been working on a strategic plan for the entire system for the past two years. This process has involved all division staff and others with an interest in the park system and has generated a set of strategies that are due to be confirmed by the division's administrative staff (central office and regional managers) in July 1994. This type of plan will be critical to establishing useful park plans, because it will for the first time establish a vision for the system, along with priorities and strategies for achieving this vision.

A model is already in place in the system for timely and useful planning that meets the planning requirements identified by park managers. In the metro region, the regional manager and his staff conduct a one-day planning session at each park in their region every year. The session includes a review of the year's accomplishments and disappointments, identification of goals for the coming year and planning how those goals will be reached. The process covers resource management, interpretation and operations efforts in each park.

Another promising planning approach already being tried in the division is to involve members of the public in a park planning team. For the Outdoor Recreation Act park plans, the public was involved through a series of meetings in which they reacted to proposals already created by the division. In the newer planning team model, being tested at Forestville State Park, the public plays a role throughout the process of identifying needs, goals, and strategies for achieving the goals.

Recommendations

24. The division should adopt a planning model that would create a three- to five-year plan for each park. Features of the model would include:
 - A planning group including representatives from all levels of park staff, local stakeholders, regional staff and a "statewide" representative
 - Annual review of the plan with regional staff to track progress and make adjustments
 - Less detail than in previous plans; detailed resource information should be kept in a park data base (rather than included as part of the plan) and revised as resource inventories are completed and updated; detailed development plans can be created as development goals are set, but this would be done through project planning once the overall park plan is completed. Needs for other types of long-term recreation and resource management planning can be identified through this planning process and addressed, alongside other priorities, as ongoing projects.
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- A park “situation assessment,” including current “givens,” trends in demand, opportunities, etc.; it would also include vision, obstacles, and strategies for achieving the vision in keeping with the division strategic plan. Each park would complete the planning process by working out an implementation calendar, which would be updated every six months
 - Topics likely to be covered:
 - Customer-service objectives
 - Effective staff cooperation and communication
 - Coordination with other entities
 - Resource protection and development goals
 - Public involvement strategy
25. St. Paul planners should place a higher priority on park planning than on special projects. Their role should be that of facilitators and process experts, focusing on helping parks break down barriers to doing their work.
26. The division should set a goal of completing all park plans within the next two years. They may look for ways to streamline the planning process by organizing regional meetings to prepare park personnel for the upcoming process, help them get started developing planning teams, and so forth.
27. Public input should be sought through involvement in the planning team and development of the situation assessment (focus groups, surveys, etc.). Mechanisms should be found to otherwise solicit public input on individual parks and the park system on a regular basis. The public should include both local residents and park users. The division is expanding public involvement in its latest round of planning. This involvement should stress including public participants from the beginning of the process and finding ways to streamline public review and approval processes after plans have been created.
28. Park managers should be trained in this approach to planning and how to use the product. They should then be held accountable in their performance reviews for having followed and updated the plan.

Innovation in park management and operations

This study found that the Minnesota state park system has not done enough to pursue efficiencies through innovations in park services. This was found in both attitudes of staff and structure of division policies.

The division has introduced successful innovations, such as self-permitting and camper cabins,

and was cited in Osborne and Gaebler's *Reinventing Government* for responding to their visitors' desires for improved services. However, this section of the report focuses more on the attitudes and structures that promote or discourage innovation within the division. These types of barriers to innovation within the system can act as powerful protectors of the status quo. Once such barriers are dismantled, division staff are best qualified to identify and select innovations in park management.

Some park staff said that innovation is not only not encouraged, but has been discouraged by central office management. A representative comment came from one park manager, who said, "The attitude is: Go ahead and develop your idea, but it better work and it better not make the 5 o'clock news."

Several park managers told their own or others' stories of repercussions for trying new ways of serving the public or managing park resources. As a result, they asked that their specific examples not be used to illustrate this point in the report. In any case, many park managers said they believe that it is not safe to try new ways of doing things.

This lack of encouragement for innovation goes beyond the attitude of park staff to include structural barriers to innovation. The following policies act as disincentives to efficient and creative park management:

- Individual parks are not rewarded for finding efficiencies, because they lose hours and/or dollars from the next year's budget. For example: If a park reduces its use of fleet vehicles from a year-round to a seasonal fleet, the money it had spent for those vehicles is removed from future budgets. Another park that continues to lease the same number of vehicles receives those vehicles plus an increase in budget to cover inflation. Although savings from individual parks are made available for redistribution around the park system, local park managers lack an incentive to aggressively hold down costs within their parks.
- Park managers have no incentive to hire cheaper labor because standards determine only the number of hours required to perform a task and not the labor cost of that task. Park managers receive the full cost of staff to carry out standard tasks, whether they have hired the most expensive or cheaper labor. In other words, although park managers may hire a range of levels of employees, from part-time student workers to full-time union employees, the system rewards equally those park managers who hire low-cost and those who hire highest-cost employees. In many cases it may be appropriate to hire the higher-paid union staff, but some park managers reported that because they receive full compensation for all staff, they were less motivated to make tough choices to higher lower-cost staff.

The division's unwieldy supply of policies acts as another type of barrier to innovation. Park managers across the system agreed that the 27 policy manuals contained in every park office provide little guidance for their work. They cited as problems the enormous amount of poli-

cies contained in these manuals, the lack of an index or any system for locating specific policies, and the combination of current and outdated policies found in the manuals. Park managers complained that the typical division response to an individual getting out of line is to create a policy to address all such situations. Little thought seems to be given to the cost of creating and following such policies.

One manager said that the effect is to inhibit managers from trying anything they are not sure is allowed by division policies. Other managers said that they don't let this stop them from acting, saying they would rather "seek forgiveness later than ask permission today." Many managers reported frequent calls to regional staff to seek approval when they are uncertain about something, rather than trying to research division policy on the issue.

In either case, the lack of clear, accessible policies places an additional burden on the system. Managers who are afraid to act miss untold opportunities to manage their parks effectively and efficiently. Managers who ignore the policies are more likely to be innovative in their work but are also more likely to violate an important division value. Those managers who "call the region" for permission or explanation of policies are taking up time that they and the regional staff could be spending on higher-priority tasks.

One park manager summarized his feelings about the division's policies by saying, "They pay me too much not to be making these decisions."

The division established a task force several years ago to organize and make current all division policies, but its work was not completed and the task force has not met for more than a year. Division management explained that the work of this task force has not been made a priority that would free up sufficient staff time to complete it.

Tom Peters' management book, *In Search of Excellence*, describes "loose-tight" systems in which volumes of rules and regulations are replaced by clear statements of mission and values. Employees are then allowed to act as they see fit, as long as they don't violate the organization's mission and values. Governance expert John Carver has developed an approach to policy development in which organizations design the fewest possible policies needed to prevent a worst-case scenario from being realized. After that, organizations may establish more detailed policies if needed in order to clarify the overarching policies or to help management feel comfortable that their worst fears will not be realized. In this approach, policies are used to proscribe unacceptable activities rather than to prescribe everything an employee must do.

A number of park staff interviewed during this study are already trying new approaches to management and inventing systems to ease their workloads. There is no shortage of creativity within the division. It does, however, need to be better promoted and rewarded.

Recommendations

29. A higher priority should be placed on promoting innovation throughout the division and especially in the field. In order to do this, incentives and rewards for innovation should be created to promote effective and efficient approaches to work at all levels. Some possible approaches include:
- Peer-nominated awards
 - Free time to develop a new idea
 - Mobility assignments allowing an employee to develop new skills that will also benefit the division
30. Individual parks should be allowed to keep a portion of money saved through efficient management in order to create an incentive and eliminate disincentives to seeking cost savings. Within a biennium, the division has the discretion to permit this to happen. The goal would be to allow some money to return as a reward to parks that have found cost savings within their budgets and to continue to redistribute the remainder of any cost savings to top-priority needs throughout the park system.

This would require a system for documenting savings and monitoring how the saved money is spent. Online systems offer great potential for building in accountability.

The National Park Service is in the process of recommending a similar approach in which national parks would be allowed to keep a portion of fees collected as an incentive to park staff to improve fee collections. The proposal confirms that innovative park administrators believe it is time to reward park managers for good management by allowing them greater control over money that comes through their parks. The relatively smaller size of the Minnesota state park system and the state's tradition of embracing innovative approaches to government management may make it easier to pilot the idea here.

31. Division policies should be overhauled to include only those necessary to prevent the worst fears of division and department staff and stakeholders from being realized. A useful method for beginning such an overhaul is to poll staff and stakeholders in the system about their fears for the park system: What must be prevented at all costs from happening? Such a list would provide the outline for what policies are needed. Once these basic policies are developed, they may be supplemented later to clarify and give additional direction.

In order to accomplish this in a timely manner, one person should be given responsibility to oversee the process and complete it by a certain date. This person could be an existing member of the central office or regional staff or a park manager with interest and aptitude for the task, working on mobility assignment for a period of time.

As is the case with any new assignments recommended in this report, the responsible person should be freed from existing responsibilities that would hinder accomplishment of the new task and allowed to collaborate with others to get the work done.

32. Training provided to managers and administrators in the system should help to build the skills and tools needed to take an innovative approach to work. Such skills and tools would include problem identification, participatory management, time management, priority setting, and creative problem solving.
33. The division should advertise internally the successes and lessons learned throughout the system by people who try new ways of doing things. This could occupy a section of each internal newsletter, be included in the agendas of each regional park managers' meeting, and be a highlight of each annual parks conference.

Underfunding argument

The Parks and Recreation Division has said for several years that it is not funded at the level required to carry out its work. Although this study found that the division does have real funding needs, the study's analysis did not confirm the division's underfunding claim. This section includes an analysis of the underfunding argument and a discussion of the division's use of that argument.

Underfunding analysis — The division reports that it is underfunded by \$2.2 million per fiscal year. This includes \$1.5 million in non-management park labor and \$620,000 in central office and regional office expenses.

Division managers determine the need for funding of non-management park labor based on their operating standards. The division's definition of standards says that they "define the tasks which need to be accomplished at each park in order to provide acceptable public service, facility maintenance and resource protection." Since the operating standards were implemented, funding has never reached the full amount necessary to complete all tasks defined in the standards. In 1989, the base budget was \$400,000 short of the operating standards; it has continued to be between \$1 million and \$1.5 million short each fiscal year.

Each year since 1989 the division has said that the difference between its actual funding and the amount of funding determined by standards has grown, even though the division's operating budget has grown by about 5 percent per year during this period. The larger gap, according to division management, is caused by increases in labor costs and unfunded liabilities outgrowing the 5 percent increase in the operating budget. Budget data provided by the division for this study did not include enough detail to confirm whether this is the case.

Moreover, the fact that standards provide the basis of the underfunding argument raises further questions about the reported underfunding gap. Standards are a useful tool for

developing baseline budgets and more equitably distributing funds among parks. However, standards do not represent actual hours required to conduct the work of the division because they do not include the cost of park management labor, regional or central office, or supplies and expenses. They are also based on hours required per activity as those activities are currently performed, which this study found could be reduced in many cases if processes and systems were streamlined. Therefore, the actual funding gap could appear larger or smaller if all activities were included in the standards or if standards were based on streamlined processes.

Much of the effect of the budget shortfalls on the parks is determined by an operational funding decision matrix (see Appendix 2). In FY 93 this amount totalled 1.5 million. The matrix reduces park labor the most in the least-used parks, but all parks receive a reduction in labor. The matrix does not include the cost of labor for park management, the regional and central office, or supplies and expenses. As a result, use of the matrix causes cuts in services to the public or in park maintenance.

In FYs 92 and 93, the division dealt with budget shortfalls by reducing the number of campsites available, eliminating most lifeguard positions, and limiting interpretive and maintenance services.

Table 8 reflects these cuts. Between 1991 and 1993, total labor hours decreased by about 1 percent, according to the division's cost-accounting system. However, supervision and clerical hours increased by 5 percent, while the largest decreases occurred in functions that benefit the public, such as interpretive programming, beach services and some maintenance categories. Park managers and division management acknowledged that the supervision and clerical category is used differently in different situations in each park. This means that the division is unable to show what specific activities increased within this category, nor could study consultants interpret the cause of the increase.

Division managers assert that they will need large increases in funding in order to address all of the new needs they envision for the future, but they have not adequately sought ways to screen out any of these requests or to implement new responsibilities in a cost-efficient manner.

Table 8. Distribution of labor hours, 1991-1993

Classification	Hours '91	Hours '93	Difference	Percent difference
Supervision/clerical support	233,753	245,012	11,259	5
Training of staff	19,524	25,152	5,628	29
Contact station	112,186	106,649	(5,537)	-5
Merchandising program	17,774	16,900	(874)	-5
Security and enforcement	22,552	23,649	1,097	5
Interpretive services	61,567	45,003	(16,564)	-27
Resource management	24,767	34,001	9,234	37
Beach	19,100	5,872	(13,228)	-69
Garbage collection	10,249	7,214	(3,035)	-30
Sanitation/building cleaning	58,917	60,755	1,838	3
Road and parking lot maintenance	10,425	10,716	291	3
Building, facility and utility maintenance	59,065	61,311	2,246	4
Grounds maintenance	39,297	39,400	103	0
Trail maintenance/operations	17,109	12,317	(4,792)	-28
Washing/cleaning vehicles	19,244	16,917	(2,327)	-12
Douglas Lodge	26,567	21,930	(4,637)	-17
Mine	14,405	15,052	647	4
Golf	2,055	1,950	(105)	-5
Paid time off, miscellaneous	104,731	116,632	11,901	11
TOTAL	874,020	866,876	(7,144)	-1

Visits to state parks revealed that the parks do have real funding needs, especially in the area of maintenance and capital improvements. It is difficult to evaluate whether these needs require new funding because, as discussed under “Innovation in park management and operations” (Page 52), the division has not adequately reviewed its current management practices to find efficiencies.

A recent memo from the division director highlights 16 reasons why new needs and escalating costs justify an increase in funding. Some of these new responsibilities are:

- Increasing law enforcement costs
- New costs related to the connection of state parks and trails
- New computer needs
- Increasing demand for new recreational opportunities such as rock climbing and mountain biking
- Increased costs related to administration of wetlands mitigation
- Need for more management staff to handle the influx of volunteers and partnerships

The parks division has always faced new demands for the use of state parks and the need for systems to support those demands. However, until the division examines those demands in light of its mission and determines whether a request should be met by a state park or another provider, it is impossible to know whether the new demands merit new funding.

Use of the underfunding argument — The division has so oriented external and internal communications to argue for greater funding of the system that all division communications have become suspect among some audiences. Examples of this were cited by both staff of the park system and stakeholders:

- Division management has elected to make visible cuts in park services and encouraged disappointed visitors to contact their legislators to register their complaints.
 - Interviews with division management and memos outlining their views on this study showed a singular concern for showing the funding needs of parks. At the same time, they contributed few suggestions for more efficient management of the system and discouraged efforts by study consultants to develop such ideas in the course of the study.
 - Documents created for public and internal information use data in ways that support the case for increased funding, although this study’s research did not always bear out the division’s conclusions from the data. For example, a memo from the division director argues that state parks are understaffed in comparison with other park systems, but the ratio of park units to staff included unstaffed parks and waysides and did not include the division’s seasonal workers. This made the average number of staff per park appear lower than it actually is.
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- At one of the citizen meetings conducted in conjunction with individual park visits for this study, citizens reported being told by division management that the department did not support parks division project requests to the Legislative Commission on Minnesota Resources, which distributes the state's Environmental Trust Fund monies. The citizens were encouraged to contact their legislators to complain, but said that they didn't feel that should be their role.

Some legislators reported a degree of cynicism toward parks division requests because of their impression that communications are designed to make a single point.

At the same time that the division makes the case for underfunding of the system, it has promoted an analysis of economic benefits parks bring to the state. In short, it argues that parks are a worthwhile investment because "they pay for themselves" through increased revenue to Minnesota businesses and tax coffers.

This analysis is useful up to a point. It is a good thing that state parks help to distribute dollars around the state. However, without similar measures of the economic benefit of other state-funded programs such as regional treatment centers and economic development efforts, the information has limited usefulness to decision makers. In other words, all state-funded programs could argue that they provide residual economic benefits to the state.

Moreover, legislators and their staff said that the argument that parks "pay for themselves" doesn't sit well when they are otherwise told that the system is underfunded and requires a greater commitment of general fund dollars.

Meanwhile, as mentioned in the funding section on Page 46, park visitors often do not understand or support the fees they are charged to use the park. Many see the entrance permit as a parking fee and understand little about the services they receive in return. Many citizens also do not understand the need for park fees when their state taxes already support the parks. This suggests a need for better public education about how fees are established, how they are used, and how they are supplemented by state tax dollars.

Recommendations

34. The operational funding decision matrix should be redesigned. The use of a decision matrix is an effective way of demonstrating the effect of a budget cut on park operations. However, the current decision matrix cuts park labor without looking at cuts in management or supplies. A new matrix should be developed that incorporates these costs and places a priority on services to the public. Cuts should continue to be made in the least-used parks first, but cuts should not be made in programs used by the public before other opportunities for cost reductions are examined.
 35. The division should assign priorities to its new funding needs and look for innovative ways to meet these needs before requesting additional funds. Division management and
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staff spend a great deal of time discussing the issue of underfunding. The division could better use this time to plan, set priorities and create innovations in current systems. A suggested process for examining the division's funding needs is:

- a. Begin by clarifying the mission and setting priorities
 - b. Examine internal systems to seek efficiencies
 - c. Based on the above analyses, develop funding needs and strategy
36. The division should develop an approach to communicating its needs that emphasizes what it is doing to set priorities and manage its resources wisely. After these issues have been examined, the division could better support its requests for funding.
37. The division should place a priority on collecting and reporting reliable data so that decision makers can be assured that arguments for funding are well-founded. It is natural that language will be sought to make the division's case as effectively as possible. However, the division should rely on the strength of the needs themselves, and not on selective use of data to portray its needs.
38. When communicating its needs to the public, the division should strive to educate them about the value that park fees contribute to the park system. The division has marketing expertise on staff that can help develop a strategy to deliver this message on multiple fronts and using a variety of media. This approach should not require additional funding, as publications and communications channels already exist that can stress this message.

Internal communications

Park staff are not always receiving timely, concise, relevant information about the decisions and activities that affect their work. Some internal communications are managed well, such as in a number of successful standing committees and task forces, and the inclusion of regional managers in the primary decision-making body. However, park staff reported that communications could be improved within the central office and between St. Paul and the field. Program staff in the central office reported not being aware of each other's activities or decisions made by senior staff. Park managers and central office senior staff alike were unaware of an increase in authority for local purchase at state parks. A number of policies were mentioned, such as the moratorium on the use of mountain bikes in parks, over which field and central office staff had opposite perceptions. A promised weekly internal newsletter, "Update," is published sporadically and does not necessarily include news that park managers need.

On the other hand, division staff are sometimes given an opportunity to communicate when there is no plan for making meaningful use of that communication. This was observed in some cases through the development of teams or task forces that did not have a clearly stated purpose or authority to act. A representative comment came from one central office manager

who said, "At times we've been task forced to death. These task forces help, but we haven't had good reporting back out to regions." For example, the division began recruiting staff to participate in teams to help conduct this study before a plan was developed by which to use these teams. As a result, expectations were raised that people would have a degree of influence on the product of the study that could not be fulfilled once a work plan was developed. In another case, lists of staff to be interviewed for this study were circulated widely within the division in order to solicit comments, although the study consultants were not willing to delete names based on such review. Division management pointed out that the department is promoting the use of teams in DNR work, but this study found that inadequate thought had been given to the purpose and task of some teams it created.

Attempts to solicit participation without thinking through whether that participation is needed or will be used can build cynicism within the division about whether one's input really matters. Moreover, efforts spent on meaningless participation add up to hours that could be spent on more important activities.

Recommendations

39. The division must ensure that its own internal communications are not neglected. Existing division policies and job descriptions require a weekly staff newsletter and regular solicitation of parks' communications needs. Following these guidelines closely and paying more attention to what information others in the system need will go a long way toward ensuring that park staff have the information they need.

The RACI process, recommended in the hierarchical management structure section on Page 56, also provides a tool for reminding decision makers to consult and inform people about decisions.

40. Division managers should review requests for staff participation in teams, reviews, or other processes, in order to evaluate whether the participation is needed. The RACI process, mentioned in the previous recommendation, also helps illuminate where it makes sense to consult and inform staff and where such participation is not required.

Cooperation with other organizations

In seeking ways to operate parks more efficiently, this study found a number of time- and money-saving practices already under way in Minnesota parks. These practices have potential for improving operations in other areas of the park system as well:

- North Shore park managers and staff have organized to cooperate in a number of ways that simplify and ease each other's workload. They have divided among themselves the responsibility for participating in local organizations, which frees up time each park manager might have spent in attending community meetings. They share staff and equipment among parks as needed and combine some training programs. They worked jointly
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to get recycling sheds for their parks, with one park drawing up plans, another preparing a related brochure and another finding a local donor of materials. Three parks worked together and with the divisions of Enforcement and Fish and Wildlife to organize special deer hunts. Park managers with a special area of expertise, such as computer programming, hazardous tree removal or trail design, share their knowledge and work products with other parks in this group. Examples of this type of cooperation can be found to different extents throughout the park system.

- Most park managers say that they cooperate well with other DNR divisions at the local level, sharing staff and equipment and working jointly on some projects such as development of new trails and prairie burns.

The department has placed a great emphasis on cooperation among divisions and agencies through "Integrated Resource Management," and the parks division participates in a number of successful interdivisional efforts, such as the parks marketing committee, the natural resources education committee and the GIS committee. However, according to reports from central office and the field, interdivisional cooperation at the central office level is not as good as it is in the field. Examples included reports of poor relations between Field Services and other divisions, a reported attitude of "turf protection" among divisions, and an often-repeated belief that the parks division is underfunded in comparison with other divisions. Poor cooperation between the DNR and other agencies such as the Minnesota Office of Tourism and the Minnesota Historical Society was also cited by parks staff and staff of these agencies. For example, Tourism staff listed opportunities to cooperate more on providing public information, on marketing of state parks, and in cooperating with local tourism organizations. Both of these agencies have goals and projects closely related to those of the parks division.

- At one park without a park naturalist, the manager has worked with local community organizations to organize park interpretive programs that are presented by a variety of outside experts. This is described in detail in the funding section, Page 47.
- Many parks cooperate with private donors whose contributions help to provide refreshments for open houses at the park, help support special projects, and promote park activities in local publications.
- The resource management program has developed an agreement with the County Biological Survey (CBS) to provide resource inventories of parks as it completes other county surveys. Because of the specific expertise required to conduct these surveys, it is more efficient for the division to cooperate with the CBS than to attempt to duplicate or hire these services elsewhere.
- The division has made good use of other service providers such as the Sentence to Service program for nonviolent property offenders, Greenview, and summer youth employment programs. Cooperation with these organizations enables the parks to accomplish many tasks for no or low cost that would not be achievable otherwise.

A number of other opportunities exist to make the system more efficient through cooperation:

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- Some states have implemented an “area structure,” in which several parks are managed jointly by a single management team. This has been discussed in Minnesota as well, although two strong objections to such a structure are usually raised. First of all, park staff maintain that most parks need the attention of full-time managers and that service to the public would suffer if managers were stretched among several parks. Secondly, many people believe an area structure would add another layer of bureaucracy to the current structure of parks, regions and central office.

The evidence from other states suggests, however, that it is possible to manage parks through an area structure without hurting public service or increasing bureaucracy. The state of Ohio reorganized its state park system to eliminate its four district offices (similar to Minnesota’s regional offices) and organized the 72 parks into 24 regional clusters, which share staff and responsibility for several parks. Such a system could be tested, monitored and evaluated on a limited basis in Minnesota.

The area management team would not add a layer to the hierarchy of the park system, but would operate as a coordinated unit of local parks.

- Many division staff support an area approach to management of the interpretive and resource management programs, which do not have enough staff to serve each park under the existing structure. Many parks have no naturalist services and compete with a number of other parks for assistance from the regional naturalist with displays and non-personal interpretive programs. Similarly, the division’s six regional resource specialists and three park resource specialists are in high demand as the division places more and more emphasis on resource management in parks.

Some area management of interpretive services already takes place in the park system and received mixed reviews from involved staff. They said that the area approach can work well to distribute scarce staff resources among several parks, but that cooperation among the regional naturalist, park naturalist, and involved park managers is key. Several people pointed out that shared supervision of the park naturalist by the regional naturalist and more than one park manager can cause problems.

Some park staff suggested joining the interpretive and resource management programs in order to make the best use of limited staff resources in both programs. Staff skill requirements are similar for both jobs. Many park naturalists already provide resource management expertise as well as interpretive services to their parks. A merger of the two programs would allow the division greater flexibility in deploying staff to either resource management or interpretive tasks. Given the urgency that many parks are feeling to complete resource inventories before making other decisions about park use, it would benefit the system to pool its resource management expertise to respond more quickly to this demand. Another goal stated by staff within these programs is to make resource management and interpretation less separated from the rest of the division’s activities. A combined resource management and interpretive program would allow the two programs to coordinate their planning activities and programming to help better integrate resource protection and interpretation into other division activities.

This study did find that the division has tended to equate program needs with a need for new staff, rather than seeking other ways of meeting the need. Examples include a projected need for new staff as a result of increased park-trail connections, implementation of the Statewide Systems Project, and increased volunteer involvement in parks.

While some programs may demand increased staff attention, the division has not done enough to set priorities and make better use of existing staff or to examine how these needs can be met through cooperation with other organizations.

Recommendations

41. The division should promote cooperation among groups of parks to replicate what has been achieved by North Shore parks. Groups of cooperating parks should be grouped closely enough to make such cooperation efficient. Regional managers could help to organize and launch these efforts by helping the related parks to meet for the first time and plan where they can improve their effectiveness through cooperation.
42. Department administrators should continue to promote cooperation among divisions at the central office level in order to smooth the way for joint ventures in the field and remove barriers to coordinating services among divisions and with other agencies.
43. The division should examine whether some parks could be managed through an area structure. Such an approach could be tested, monitored, and evaluated after a period of three years. Good candidate parks for such an experiment would be located within reasonable driving distance of one another, and include a management team that is willing to seek ways to make such a structure work.
44. The division should expand its area approach to management of the interpretive and resource management programs, which do not have enough staff to provide services to all parks. An area approach allows the division to deploy staff to serve groups of parks rather than individual parks.

Park naturalists could still be based at one park and supervised by that park manager. The naturalist and park manager would work in cooperation with other parks in their "area" to plan for the best use of that naturalist's time in serving all area parks. Naturalists and park managers should be held accountable for cooperating in this effort and managing the workload so that naturalists are not overextended in meeting several parks' needs. The regional naturalist would provide technical support to the entire region and contribute to evaluations of the naturalist's performance, but otherwise hold no supervisory authority.

Similarly, resource specialist staff should be given responsibility for more than one park. Regional and park resource specialists should work with park managers to assess the need for their services and allocate their time accordingly.

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45. The division should examine the feasibility of combining interpretive and resource management programs. This could allow for more effective service to parks that have neither an interpreter nor a resource specialist and allow the division greater flexibility in responding to parks' growing needs for resource management services.

Alternative ways to deliver park services

Throughout this study, park staff and stakeholders raised the possibility of finding alternatives to hiring unionized seasonal employees in order to provide less-expensive labor for parks. As mentioned in the background to this report, Minnesota's seasonal park labor rates are above those of other Midwestern park systems.

Contracting — The most commonly raised alternative was that of contracting out seasonal labor to private providers. The issue of privatizing state services is highly sensitive, however, as it threatens the security of hundreds of well-paying jobs throughout the state.

Before investigating contracting out of services, the division should determine what it hopes to gain and what it does not want to lose through contracting. The division should take into consideration whether a long-term, stable, competitive market exists for the service, whether contracting will result in significant savings to the state over the longer term, whether contractors will maintain or improve quality, reliability, and customer satisfaction, whether contractors will protect the security of customers, employees and property, whether mechanisms can be established to ensure contractors' accountability and responsibility, and whether contractors comply with socio-economic provisions established in statute.

The Internal Revenue Service is looking at the state of Minnesota's contracting practices in order to better distinguish between employees and independent contractors. This brings up the additional point that, although contracting out can be a cost-effective way of providing services, consideration should be given to the nature of the relationship between the agency and the individual. If a person hired on contract is actually being treated as an employee, the agency must pay employment taxes for that worker.

Work experience program — Meanwhile, the parks division this year has begun a work experience program aimed at hiring unemployed and underemployed state residents and lowering costs of seasonal labor over the next three years. (See discussion in the background section, Page 18.) Although the program is certain to reduce costs, park managers expressed concerns that lower-paid employees will not return to their jobs year after year, that lower pay will attract less-skilled employees, and that restrictions on hours they may work may present scheduling problems.

Volunteers — The use of volunteers in state parks was often mentioned by park staff and stakeholders as a way of providing no-cost or low-cost services to visitors. Many parks use volunteers (between 60,000 and 100,000 volunteer hours per year) for a variety of tasks, ranging from special building projects to providing interpretive programs.

All parks that use volunteers rated highly their quality of work and dedication. However, most park staff brought up several considerations that must be kept in mind when using park volunteers:

- Making the best use of volunteers requires that full-time park staff spend time planning for, coordinating, and training volunteers.
- The more complex a task, the greater the park's investment in training volunteers for their work. At one state park, volunteers have been trained over many years to identify plants and start seedlings and could not be easily replaced by a new set of volunteers.
- Volunteers are motivated by their desire to give of their time and talents in a beautiful natural setting, park managers said, and need to be given tasks that are rewarding, have an endpoint, and use the skills that volunteers bring to the job.
- The availability of volunteers varies widely around the state, from very few at more remote parks to hundreds at metro area parks, which serve a densely populated urban audience.
- Volunteers provide excellent services, but should not be expected to carry out day-to-day tasks. Where workers must be accountable for regularly showing up on time or performing boring or unpleasant tasks, paid staff should be hired. Employee union issues also need to be considered when defining tasks suitable for volunteers.

Recommendations

46. The division should determine its values and criteria for contracting out services using the guidelines listed above. As part of this, it should conduct a benchmarking study to show possible monetary and nonmonetary costs and benefits to contracting out. At the end of this process, management should decide whether to pursue contracting for services.
 47. If the contracting option is rejected, the department, in cooperation with the Department of Employee Relations Labor Relations Office, should enter into long-range negotiations with its unions to look for ways to control labor costs over time.
 48. The division should establish criteria for measuring the effectiveness of the work experience program that go beyond cost savings to the division. Potential criteria would include rate of employee turnover before and after the program, quality of service provided, and the impact of restrictions on hours work training employees may work.
 49. Where parks have a pool of prospective volunteers, efforts should be made to provide opportunities for them to contribute their time on park projects. Such opportunities would provide parks with services they would not ordinarily be able to offer, as well as give citizens a meaningful way to be involved with and contribute to state parks. The use of volunteers should not be viewed as a way of reducing labor costs.
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Some park managers may need training in volunteer management and in identifying tasks suitable for volunteers.

Other system improvements

In interviews with staff and visits to parks, a number of internal systems, such as purchasing, computer support, and hiring processes, were highlighted as needing improvement. Many of these systems are within the division's control to improve, although hiring systems would need to be addressed in cooperation with the Department of Employee Relations.

Purchasing — Throughout the study and in almost every interview, the division's bill-paying system was described as cumbersome and slow. The process begins in the park, where a manager or clerk verifies that the purchase was made, enters statewide accounting codes, checks it for accuracy, and approves it for payment. Although many parks enter this information into computers, the next step is to send two copies of the bill to the regional office where an employee re-enters it into the region's computer, checks that the park has included the proper codes, checks arithmetic, and sends it on to the regional business office. At this stage it is re-entered into the statewide accounting system and again checked for accuracy. Then one copy of the bill is filed at the regional office and one is sent to the Department of Finance, which issues a check to the vendor. Although the final stages of this process fulfill requirements of other agencies for state agency bill-paying, most of the process steps are within the division's control.

The division could greatly reduce time spent on this process by eliminating triple entry of the same data and triple checking for accuracy of mathematics and codes.

Many park managers also reported being limited to \$300 in their authority to make local purchases, although the state limit was raised to \$500 in July 1993. The state limits the amount of money state employees may spend without seeking two or more bids. In fact, park managers *are* allowed the full \$500 authority, but many did not know this was the case.

The division has begun piloting the use of credit cards for local purchasing at six parks and one regional office. Many park managers said an even better option would be to allow the use of checkbooks at local parks, with online recordkeeping to hold managers accountable for their use. Vendors would be paid more quickly and the above-described bill-paying process could be eliminated. "We administer several million dollars worth of stuff, but I can't buy postage stamps," one park manager said of the purchasing process.

The Statewide Systems Project, which is designing a new statewide accounting system, should provide an opportunity to parks to eliminate much of the reporting that is cited as slowing down the bill-paying process and to monitor park spending online.

Computer systems — For several years the division has been expanding the use of computers at parks. Individual parks reported a variety of experiences with this, from feeling pushed to “go on-line” before the system was ready or training had been completed to being anxious to add more equipment and increase their use of computers. This transition is continuing as the Statewide Systems Project is implemented and parks may provide all time reports and possibly other information via computer.

The use of computers at local parks will help to overcome the communication challenges presented by physical separations between units and levels of the system. However, the division has not yet found a way to provide adequate computer support both to parks that are just entering the electronic age and those that are already anxious to invent new ways to use technology in park management:

- Some parks are hindered in making use of computers because the one telephone line to their contact stations must be shared with the computer. If telephone service is interrupted, as happens occasionally at some parks, neither telephone nor access to the AS/400 mainframe computer is available. Moreover, the high long-distance costs of linking into the mainframe for a long time prohibit many managers from using the computer for longer or more complex tasks or from using other systems that rely on telephone service such as facsimile machines, electronic mail, and a statewide bulletin board network.
- Some park managers and clerks complained that parks were being asked to assume responsibility for tasks requiring use of computers that used to be handled at the regional level, without enough additional time, training or equipment being allotted to the parks to complete these tasks. The difficulty was particularly acute where training had not kept up with the division’s expectations for assuming these responsibilities. Park staff suggested that greater staff input into such changes would help make transitions go smoothly.
- Some park managers reported having developed new programs or modifications of existing programs to help in their work. One example was a program that tracked revenue taken in at the contact station during each hour the station was open. When the division required parks to limit contact station hours in 1992, this park manager knew at which hours it was most cost-effective to keep the contact station open. By promoting and distributing such programs throughout the system, individual parks could benefit from one another’s innovations and the division could prevent several variations on a program being developed by different enterprising people.

The division does provide support for computer users through an MIS staff person and MIS task force that provides training to staff. However, even with these systems in place, this study identified a gap in support represented by the problems listed above.

Hiring systems — The division hired 600 seasonal staff in 1993 to meet increased demand for services during the summer months. Most of this hiring takes place in May in order to have staff on board by Memorial Day weekend. Park managers reported that it can take more than four weeks to complete the process for hiring a three-month seasonal employee. This can

make it difficult to fill seasonal positions by the time they are needed. Much of the difficulty results from the combination of requirements of Job Service and the governor's summer hiring program.

Legislation (M.S. 43A.04, Subd. 9) allowing state agencies to experiment with streamlining hiring processes offers an opportunity to address this problem. By working with the DNR Human Resources Bureau and the Department of Employee Relations, the division may be able to reduce the steps and time required to hire seasonal employees.

Other cumbersome systems — In interviews for this study, park staff questioned the value of a number of other reports and systems, such as non-fleet Daily Unit Diary reports, the process for designing and ordering park-specific merchandise, affidavits for second-vehicle permits and weekly camping permit logs. It was not within the scope of this project to investigate and analyze each such claim, but the study did conclude that the division has a need to continually review the effectiveness of administrative systems.

Recommendations

50. The division should expand its experiment with streamlining the bill-paying system to analyze steps in the process and eliminate redundancy. A process for monitoring individual parks' spending should be developed in order to ensure that managers are held accountable for responsible spending.
 51. The \$500 local-purchase authorization amount for parks should be clearly communicated to all parks. Any future statewide increases should be communicated and implemented immediately at state parks as well.
 52. The division should explore the use of checkbooks as well as credit cards in order to simplify local purchasing by state parks. A pilot project with checkbooks similar to that being done with credit cards could provide a comparison between the two approaches and help to evaluate the pros and cons of streamlining this system.
 53. The division should place a priority on creating favorable conditions for expanded computer use before further implementing new requirements for computer use in parks. The division should place a priority on resolving problems with unreliable telephone lines, lack of training, and balancing new expectations with existing workloads.
 54. The division should create a mobility role for a current park staff person with ability and interest in developing computer programs to improve park management. It is important that this person understand day-to-day park needs and be well-versed in technology available to parks. This person should be given authority to work with park and MIS staff as needed to develop a needs assessment and test different applications in actual park operations. A small budget should also be appropriated for testing and purchase of
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new software systems. The product of this person's work should be a set of recommendations on what the division should do to meet and keep up with technology needs for parks.

55. Division management should develop a process for assessing the value added by all administrative systems and discard or streamline those whose costs outweigh their benefits. Park staff should be encouraged to contribute suggestions for administrative systems improvements and be involved in regular assessments of system effectiveness.
 56. The division should work with the DNR Human Resources Bureau and the Department of Employee Relations to explore the possibility of streamlining the seasonal hiring process.
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APPENDICES

1. Sample of interview and focus group questions 83
2. State park operational funding decision matrix 93

Sample of interview and focus group questions

External interview questions (designed for use with knowledgeable people, customers and stakeholders in the state park system during the initial round of data collection)

1. What is your name and what do you do? What is your relationship to the state park system?
2. What is the mission of the state park system? Do you think it should be different?
3. What market and non-market benefits do parks provide the state? (How do you know this? What measures exist? Where is it documented?)
4. How has the use of parks changed over time? How will park use continue to change?
5. What is the current definition of a state park? (What criteria are used? What differentiates state parks from other parks? How do current parks fit these criteria?)
6. What criteria are used to establish a base level of operations for parks? (What standards determine how parks are operated? How well are the standards upheld?)
7. What, if any, current systems or problems detract from smooth, efficient park operations?
8. How are parks currently funded? How have current sources of funding performed recently? What changes do you anticipate in how these sources will perform? What other sources have been tried or considered? What problems, if any, have you seen in the way that parks are funded?
9. What opportunities do you see for improvement in the system?
10. Is there anything we haven't talked about that you think we should know or pay attention to in this study?
11. Do you have suggestions of knowledgeable people or other sources of information that we should look into?

Legislator questions

1. What is your relationship to the state park system?
 2. What do you see as the mission of the state park system?
 3. What do you hope to see come out of this study? (What did the legislature have in mind?)
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4. What makes a park a state park? What criteria do you think should be used to decide this?
5. What current systems or problems, if any, detract from smooth, efficient park operations in the areas of organization and management?
6. What opportunities do you see for improvement in the system (relating to funding, operations, management, organization . . .)
7. What possibilities do you see for getting more out of existing funding sources or for generating revenue in new ways?
8. Is there anything else you'd like to add? What do you think we should ask other legislators about regarding this study? Are there other knowledgeable people or other sources of information that we should look into?

Internal interview questions (designed for use with staff of the state park system in initial data collection)

Mission

1. What is your name and what do you do? How does your job relate to others (individual park, regional, St. Paul colleagues)?
2. What is the mission of the state park system? Do you think it should be different?

System evaluation

3. What do you think distinguishes state parks from other parks? How do existing units fit these criteria?
 4. What are the strengths of the state park system? What should be preserved or built on?
 5. Where do problems, if any, exist in the parks' organization and management? What opportunities do you think exist for improving organization and management? What would be the impact of those changes?
 6. What revenue sources fund the park system? How have these sources performed over time? What opportunities exist for enhancing funding sources? What are the pros and cons of these ideas?
 7. What would you like to add? Of everything we've talked about, what is most significant?
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Expert interview questions

Mission

1. What do you see as the mission of a state park vs. national, regional, or local parks? (Responses may cover:)
 - Balancing resource protection and recreation
 - What should be considered in deciding how far state parks should move toward theme-park-type activities?
 - When should a state park system be a money-maker?
 - Why should the state get into recreation businesses that could be provided by the private sector?

Expenditures

2. What innovations/good ideas/efficiency measures are you aware of that have been used to reduce costs? How have they worked or not worked? What has been their impact?

Revenues

3. How should a state park system be funded?
4. What portion of park services should be paid for by users?
5. How would you evaluate various alternative sources of funding that states have tried?

Management and operations

How should state parks go about deciding how to “do more with less” or “do more with no increases in funding”? Some possible areas of efficiency:

- reducing park services
 - reducing staff (if so, who gets cut?)
 - eliminating or spinning off parks
 - use of volunteers, interns, other categories of low-paid help
 - restructuring to manage more than one park through a team approach
 - increased cooperation with other organizations, such as divisions of forestry, fish and wildlife, county park systems, etc.
 - encouraging innovation in people’s everyday work
7. What would you advise Minnesota to try (or stay away from) in order to improve the efficiency of park operations? What is politically feasible?
-

Other park system interview questions

Mission

1. What is the mission of your park system?
2. How do you manage the tension between demand for recreational opportunities and the need to preserve natural resources in the parks?
3. Does your park system include different classifications of parks, such as natural and recreational parks? At what level of service are the different types of parks maintained? (Are some parks operated as satellites, or with fewer staff than other parks?)
4. How large a role does environmental education play in your park system?

Expenditures

5. How do you decide where to apply resources among your individual parks? (What criteria or priority system is used?)
6. How do you track costs of different activities? (Cost coding? Something else? No tracking?) How well does this help you make decisions about what to spend on in the future?
7. How is your park system organized? (What levels of central administration/region/park services?) How many people are in each level? (Count seasonal park staff separately.)
8. What innovations/good ideas/efficiency measures have you employed to reduce costs in tough budget times? How have they worked or not worked? What has been their impact?

Revenues

9. What sources of funding support your park? What percent of your budget is supplied by each different category of funding source?
 10. How have the various funding sources performed over time?
 11. How well are revenues meeting your needs? What are the current challenges in this area?
 12. What have you found to be the most successful way of providing stable funding to meet demand for park use?
 13. What would you advise Minnesota as this state looks for ways to meet visitor demand for parks within a no-growth or low-growth state budget?
-

Management and operations

14. What has your park system tried in order to “do more with less” or “do more with no increases in funding”? (This could include any level — from administration to local park operations.)

Some possible areas of efficiency:

- reducing park services
- reducing staff (if so, who got cut?)
- eliminating or spinning off parks
- use of volunteers, interns, other categories of low-paid help
- restructuring to manage more than one park through a team approach
- increased cooperation with other organizations, such as divisions of forestry, fish and wildlife, county park systems, etc.
- encouraging innovation in people’s everyday work

15. What would you advise Minnesota to try (or stay away from) in order to improve the efficiency of park operations?

Park visit questions — managers

Mission

1. What is the mission of this park (within the larger mission of the park system)? How is the park doing at carrying out that mission?
2. What are the unique aspects of running this park? What would allow you to better cope with these unique aspects?
3. What are the current pressures for new or increased services at this park? What are you doing about such demands?

Expenditures analysis

4. How much flexibility do you have in how you spend your budget?
5. How have you dealt with incentives and disincentives such as the use-it-or-lose-it spending phenomenon?

Revenue analysis

6. Do you think that fees are set at the right rate? Are there opportunities to expand or reduce fees?
-

7. What has been tried in the way of differential pricing? What would be the benefits or costs of doing more with this or with new fees for certain services?
8. What is being done with self-registration and how well is it working? What are benefits and costs of this trend?
9. Do you have just the right amount, too many, or too few visitors at your park?
10. What have you done with season opening and closing — is your park in synch with the rest of the system? What would be the best way to manage season length in order to best meet visitor demand?

Management strategies

Decision making

11. How do the region and St. Paul interact with this park? What are strengths and weaknesses of these interactions?
12. What is the relationship between standards and customer requirements? How do you know? How can standards best help you run parks?

Systems

13. How would you evaluate the efficiency of park operations? Any suggestions for improvement?
14. Do you have a park plan? How was it developed? What is needed in the way of planning?
15. How is the park doing on keeping up with maintenance needs? What causes maintenance of infrastructure to slip?
16. Describe the strengths and weaknesses of internal systems, such as bill-paying, reporting, communication with regional and central offices, etc.

Cooperation with other organizations

17. How does the park cooperate with other entities (MHS, other levels of government, others governing use of Mississippi trail)?
 18. What are Fort Snelling's unique needs to cooperate because of its location?
 19. What are the best examples of cooperation that have led to efficiencies for the park? What have been pitfalls of this type of arrangement? How can they be avoided?
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20. How could park associations better serve your needs as a park manager?
21. Are there opportunities to have private concessionaires provide park services? Pitfalls and benefits?

Park visit questions — staff

Mission

1. What is the unique mission of this park? How does it fit with the mission of the entire park system?

Management systems

2. What are the unique benefits and challenges of working in this state park?
3. Think about systems that support your work: equipment, management, technology, training, communication. How do these systems work or not work?
 - How is the park doing on keeping up with maintenance needs? What should be priorities for development/maintenance projects? Is this consistent with actual priorities?
 - What is the current approach to encouraging or discouraging innovation — within the park/within the system?
 - How much goes on in the way of cross-training? How specifically does it/would it improve service?
 - How is communication — within the park/within the system?
 - What training is available to you? Is it adequate?
4. How does cooperation with other organizations work and what are the benefits and pitfalls? How could cooperation be improved between Parks and other recreation/resource protection providers?

Expenditure/revenue analysis

5. How well is the park provided for? Do you have what you need?
 6. What could be done to run things more efficiently?
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7. How should the costs of running the park be funded? Should visitors pay more? Some have said the entrance fee should be eliminated — should it?

Regional staff/park managers questions

1. What are the main points of contact between the park and the region? (Broad categories only, such as budget, information sharing, personnel, etc.)
2. What is working well or not so well in these interactions?
3. How does communication happen between the park and region?
4. What would help the park and the region to better accomplish the tasks for which they share joint responsibility?
5. How does St. Paul interact with the region and the park?
6. What would be ideal roles and relationships for St. Paul, the region and park?
7. Are park fees set at the right level? Are there opportunities to expand them?

Parks conference focus group questions (designed for a group of more than 200 park employees divided into self-facilitated groups)

1. Some people have said that parks are trying to “be everything to everyone” — from providing picnic areas and beaches to interpretive services, horseback riding and skiing.
 - a. Is the park system trying to do too much?
 - b. Which state park services should receive top priority when it comes to allocating resources?
 - c. What values or criteria did you use in establishing these priorities?
 2. When asked what makes a state park different from county, regional, or national parks, people have said that a state park must have statewide significance and include unique natural, cultural or historical features. The following questions attempt to identify what other conditions define state parks:
 - a. What level of services should be provided in state parks?
 - b. Is there a minimum size for a state park?
 - c. When should an exception be made to these criteria in order to classify a park as a state park?
 - d. What should be done with parks that do not meet these criteria (including criteria listed in the statement and those you have added)?
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3. Government has been asked to “do more with less” for many years now. The Minnesota state park system has looked at its own operations before this study and has already made changes designed to improve efficiency.
 - a. What has been tried in recent years to improve park systems and reduce costs?
 - b. What has worked well?
 - c. What has not worked well?
 - d. What are your suggestions for improving the management and operations of parks?
 - e. How are suggestions for improving operations and reducing costs recruited and received within the division?

 4. It has been suggested that one way to reduce the costs of operating state parks is to develop partnerships with other entities, such as other DNR divisions, other state or local government entities, community colleges, local park associations, private organizations, etc. As partners, these entities could help to raise funds, recruit volunteers, or provide existing or new services.
 - a. What specific suggestions for such partnerships do you have or have you heard? (List all ideas, whether or not you are convinced they will work.)
 - b. What are the strengths and weaknesses of each suggestion?

 5. Some people have proposed that the park system move to an “area structure,” in which several parks would be managed by one management team including a park manager, assistant manager, naturalist and resource manager.
 - a. What would be the strengths and weaknesses of such a structure?
 - b. What alternatives would you suggest to such a plan?

 6. One suggestion for managing park costs is to strengthen the park manager’s authority to make decisions within the local park and to emphasize the supporting nature of the regional and central office roles.
 - a. What, specifically, would such a change involve? (What would park managers be able to do that they currently cannot do?)
 - b. How would this improve or hinder the efficiency and effectiveness of park operations?

 7. Sometimes the way to find efficiencies is to look for obstacles in the organization’s structure (the way the park system is organized, how well lines of authority work, how communication works, etc.).
 - a. In your experience, what if any internal systems or structures get in the way of effectively providing park services?
 - b. How would you improve these systems or structures?
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8. Some people have said that park users should be charged a fee equal to the cost of allowing them to use the park. Such fees would take into account extra services required for special uses, resource management attributable to these uses, etc. Others have suggested that access to parks should be free.
 - a. What are the strengths and weaknesses of charging user fees?
 - b. What are the strengths and weaknesses of allowing free access to state parks?
 - c. In what ways do you think that parks should generate revenue?
9. As we mentioned at the beginning, these questions do not necessarily represent the focus of the parks study. Having thought about these questions, are there other issues that you would like to bring to our attention? Please list and briefly describe them.
10. Of all the things you have mentioned in your responses, which points are most important in looking at improving park operations and funding?

Citizen group questions (designed for members of the public with an interest in a particular state park)

1. What do you see as the unique role of this park?
 2. Give examples of how the park affects the surrounding community.
 3. What are examples of how the park has worked with its surrounding community to get things done?
 4. What has worked well in this regard? What has not?
 5. What is an appropriate way to gather citizen input into park decisions?
 6. What should be repeated/built on/improved in park-community relations?
 - What are the opportunities?
 - What could be modeled at other parks?
 7. What other concerns or suggestions do you have regarding the role of this park in your community?
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FY 93
SERVICES

	FUNDING LEVEL 1 PRIMARY SERVICES	FUNDING LEVEL 2 MEM-LAB DAY DAY USE ACTIVITIES	FUNDING LEVEL 3 MEM-LAB DAY OVERNIGHT ACTIVITIES	FUNDING LEVEL 4 SPRING & FALL DAY USE ACTIVITIES	FUNDING LEVEL 5 SPRING & FALL OVERNIGHT ACTIVITIES	FUNDING LEVEL 6 WINTER ACTIVITIES & OTHER SERVICES	FUNDING LEVEL 7 LOW USE PERIOD SERVICES
<u>Administrative Clerical</u>	* Fund Park Managers & Assistant Mgrs. (see note below)	* Fund Clerical (June - August)	* Fund Clerical (May - Sept)	* Fully Fund Clerical		* Fund Lifeguards	
<u>Public Services</u>		* Fund Public Contact at 50% (June-Aug) * Fund Day Use Facility Custodial Services (June-Aug)	* Fund Public Contact 100% (June-Aug) * Fund Overnite Facility Custodial Services (June-Aug)	* Fund Public Contact @ 50% (Spring & Fall) * Fund Day Use Facility Custodial Services (Spring & Fall)	* Fund Public Contact @ 100% (Spring & Fall) * Fund Overnite Facility Custodial Services (Spring & Fall)	* Fund Public Contact @ 100% (Winter) * Fund Custodial Services (Winter)	* Fund Intermittent Public Contact * Fund Intermittent Custodial Services
<u>Interpretive Services</u>		* Fund Fulltime Naturalists and 50% of Tour Guides	* Fund Seas. Nat. & Tour Guides @ 100%			* Fund Interp. Interns, Int. Ctr. Hosts & Special Events	
<u>Resource & Facility Protection</u>	* Fund Resource Protection & Facility Protection @ 50% of annual cost		* Fund Resource Protection & Facility Protection @ 75% of Annual Cost		* Fund Resource Protection & Facility Protection @ 100% of Annual Cost		
<u>Trails</u>	* Fund Trail Maint. @ 25% of annual cost	* Fund Trail Maint. @ 50% of annual cost		* Fund Trail Maint. @ 75% of annual cost		* Fund Trail Maint. @ 100% & Winter Grooming	

C O S T S V PARKS WITH MOST ACTIVITY, FACILITIES, & REVENUE V PARKS WITH LEAST ACTIVITY, FACILITIES, & REVENUE	Group A	#1	#6	#7	#10	#12	#26	#31
	14 PARKS	\$432,273	\$1,155,171	\$1,271,307	\$766,397	\$408,658	\$346,549	\$108,345
		\$432,273	\$1,911,996	\$3,183,303	\$5,367,962	\$5,956,609	\$7,673,543	\$8,153,884
	Group B	#2	#8	#9	#13	#22	#27	#32
	20 PARKS	\$202,738	\$687,662	\$730,600	\$184,891	\$244,276	\$230,349	\$46,401
		\$635,011	\$3,870,965	\$4,601,565	\$6,141,500	\$7,170,453	\$7,903,892	\$8,200,285
	Group C	#3	#11	#14	#18	#23	#28	#33
	10 PARKS	\$50,513	\$179,989	\$215,964	\$54,981	\$73,134	\$63,459	\$10,782
		\$685,524	\$5,547,951	\$6,357,464	\$6,825,495	\$7,243,587	\$7,967,351	\$8,211,067
	Group D	#4	#15	#16	#20	#24	#29	#34
14 PARKS	\$57,260	\$187,258	\$198,983	\$57,183	\$70,270	\$72,103	\$27,293	
	\$742,784	\$6,544,722	\$6,743,705	\$6,915,356	\$7,313,857	\$8,039,454	\$8,238,360	
Group E	#5	#17	#19	#21	#25	#30	#35	
5 PARKS	\$14,041	\$26,809	\$32,678	\$10,821	\$13,137	\$6,085	\$15,658	
	\$756,825	\$6,770,514	\$6,858,173	\$6,926,177	\$7,326,994	\$8,045,539	\$8,254,018	

FUNDING
INCREASES ----->
(1 - 35) ----->

FUNDING
<----- REDUCTIONS
<----- (35 - 1)

NOTE: In funding level 1, Park Managers and Assistants are not included in the matrix amounts.
Total cost of Park Managers & Assistants: **\$4,340,689**

Shaded area represents FY93 funding allocation
for park unit non-management labor.