

Budget in Brief: Parks & Trails Operations

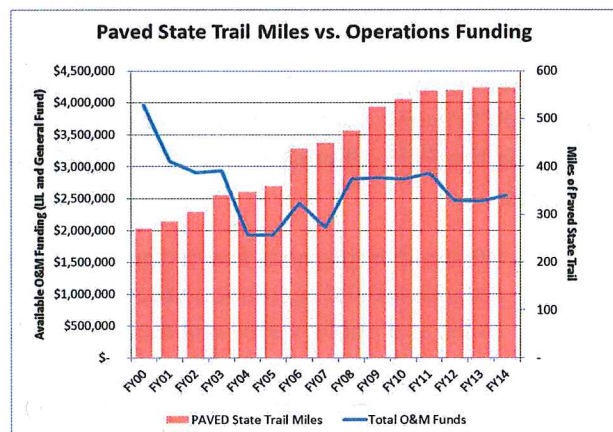
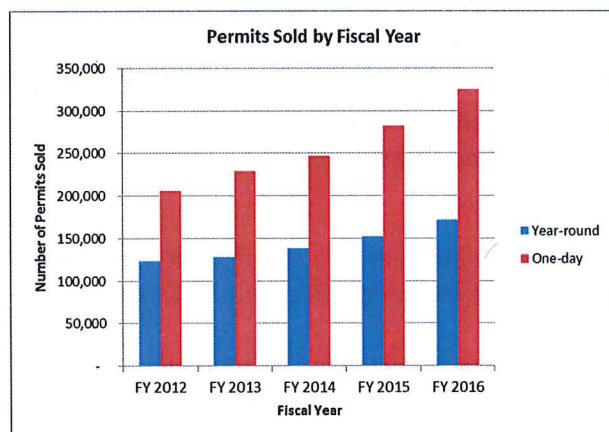
What is the problem we are trying to solve?

There is a growing gap between what citizens want from Minnesota State Parks and Trails and the resources available to us to provide them.

For 125 years, Minnesota's state parks and trails have provided affordable access to the outdoors. Highly valued by more than 10 million visitors each year, state parks and trails promote health and well-being, support strong local economies, and create new stewards of the natural world by introducing the next generation to the outdoors.

Even as state parks and trails are experiencing record attendance levels, a structural budget problem has developed as the state's costs have outstripped the revenues available to provide desired services and amenities. Cost increases come from three primary factors, including increased use and demands on the system; system growth; and inflationary costs of providing services.

Like all hospitality service providers, state parks and trails are subject to high operating costs due to staffing; facilities and grounds maintenance; fleet; and other basic costs of doing business. All of these costs are also highly susceptible to inflation, resulting in an endless cycle of budget shortfalls and one-time funding fixes to plug the gap. We've been operating under this strain for more than a decade now, continuing to cut around the edges by reducing camping seasons, visitor services, routine maintenance, and trail grooming. Not all parts of the system have suffered equally, but most are at the breaking point: any further cuts will directly impact customer experiences. There is increased demand for customer services and extended seasons – especially with the recent warm spring and fall seasons. At current funding levels, we simply don't have the flexibility to meet these demands, which frustrates our customers and decreases satisfaction ratings for our state system.



What has Minnesota tried? What has worked, and what hasn't?

Implementation of the State Parks and Trails System Plan has helped us begin to make some hard choices about what services we can continue to provide and how we provide them. The system plan is an outcome of the recent legislatively mandated Future Strategies Committee, which recognized that state parks and trails simply can't provide everything, to everybody, everywhere. We have already:

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- Implemented targeted energy conservation measures that have resulted in an estimated cost savings of \$100,000 annually;
- Developed a new approach to camping reservations that makes all state park campsites available for advanced and same-day reservations, freeing up some 30,000 hours of staff time for other value-added customer services and facility operational needs;
- Expanded use of volunteer partnerships to provide desired visitor services at key locations; and
- Begun to discontinue high-cost, low-use activities where user demand no longer warrants them.

What do we propose?

We are proposing a funding package that will increase the financial sustainability of our system. We need to address immediate budget issues caused by recent inflationary cost increases and expiring one-time funding measures with an increase to our General Fund appropriation. While inflationary costs will continue, we propose a multi-pronged approach that will address the ongoing structural budget problem over the long-term by:

- Focusing our priorities on mission-critical work;
- Diversifying our funding portfolio so we can provide facilities and services that our visitors desire;
- Right-sizing and differentiating the system and making strategic investments where they'll have the greatest impact; and
- Engaging in partnerships to leverage public investments in a high-quality system.

What positive impact do we believe this will have?

This will allow us to sustain quality, unforgettable experiences for a consistently increasing number of annual visitors to Minnesota's state parks and trails system and support a happier, healthier population and a robust tourism economy.

If the legislature doesn't adopt this proposal, what alternate approaches will DNR consider?

If we don't receive support for our proposals, there are several possible approaches for managing the resulting the FY18-19 budget gap, all of which result in decreased access to facilities and public services:

- We could implement across-the-board, percentage-based budget cuts across all units, including state parks and recreation areas, state trails, state forest recreation areas and trails, grant-in-aid trails, and public water accesses.
- We could implement bottom-up cuts to the lowest-revenue and lowest-visitation parks and trails. Here we would shutter operations, which would also result in lost revenue.
- We could implement top-down cuts to the highest-cost parks and trails, which would include some of Minnesota's top-destination parks and trails. Revenue loss would occur and offset some operational savings realized.
- We could implement large-scale, but strategic, cuts throughout the system. This approach would begin with cuts to high-cost, low-use units, services, or amenities within the system.