

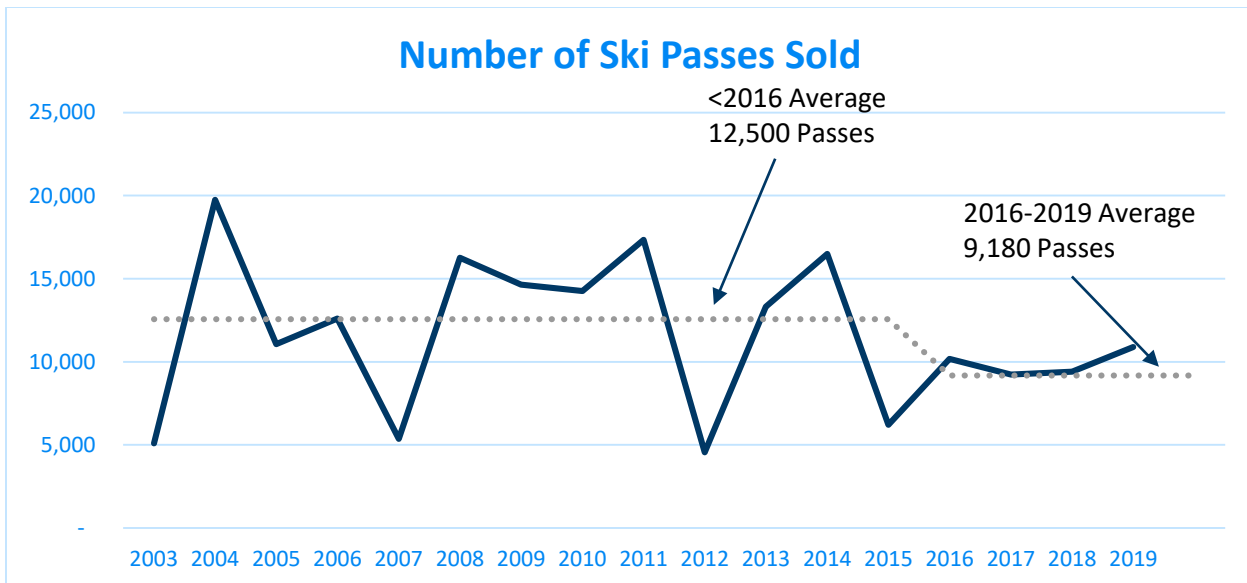
FY 20 Cross-Country Ski GIA Program Funding Update

The Cross-Country Ski GIA Program is funded fully from revenue from the sale of the [Great Minnesota Ski Pass](#). Revenue from the ski pass is deposited into the cross-country ski pass dedicated account. This account also supports some of the costs associated with grooming ski trails at state parks. Ski passes are required to ski on GIA as well as state park ski trails. The GIA Program is budgeted about \$285,000 each year and another \$75,000 is allocated to grooming ski trails in state parks.

Ski Pass Revenues are down

Ski pass revenue can vary significantly year to year depending on snow conditions and weather. Better snow conditions usually mean higher ski pass revenue, and low snow years mean fewer people are buying ski passes and lower revenue. Last winter's relatively high snowfall didn't correspond to an increase in revenues as was expected.

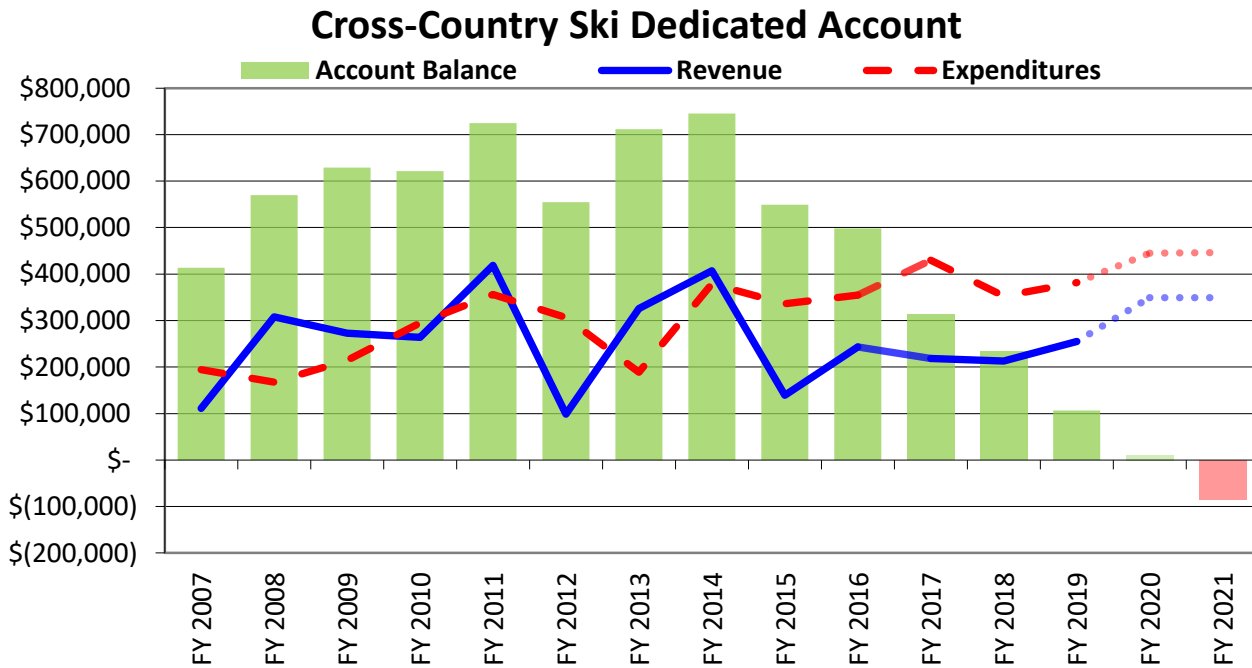
In addition, there is a recently emerging trend change in the number of people buying a ski pass, as identified in the chart below. Since 2016, on average there have been approximately 9,180 passes sold each year, but prior to 2016 there had been closer to 12,500 passes sold each year.



The cause of this reduction in ski passes sold may be due to a number of factors, such as fewer people skiing on state park and GIA trails, lower compliance in the purchase of ski passes, people skiing at other systems not covered by the state ski pass (e.g., Three Rivers Park District and Minneapolis trails that offer snow making), or the impact of climate change on the sport of cross-country skiing.

Ski Account Expenditures

As can be seen from the graph below, cross-country ski account expenditures (both to GIA and for state park grooming) have been higher than revenues. Initially, this was not a serious concern as the account balance was high (FY2011-2014), and it was important to allocate these funds to on-the-ground grooming. Ski GIA funding was increased around this time as was funding to support grooming in state parks. Since then, however, lower than expected sales of ski passes has caused the account balance to fall faster than anticipated. For example, at the end of last season there was a balance of about \$100,000 in the cross-country ski dedicated account. If this trend continues, the account is projected to become negative starting in FY2021, which would be during the 2020/21 winter season.



Ski Pass Fees Were Recently Increased

Fortunately, the ski pass fees were increased during the 2019 legislative session, and are taking effect this winter season. Daily passes went to \$10 from \$6; annual passes went to \$25 from \$20; and three-year passes went to \$70 from \$55. These changes are expected to increase revenues to the ski account by about \$70,000 a year, assuming the same level of ski pass sales as last year. The DNR is hoping that these new revenues will help stabilize the ski pass account; however, since the weather and snow conditions add uncertainty, the impact of the new fees won't be known until well into the coming ski season.

Impacts to FY20 Cross-Country Ski GIA Benchmarks and Grooming Payments

Due to the uncertainties in revenue from the ski pass in the coming year, DNR will not be able to make payments for the trail maintenance benchmarks (40% of the grant) or for grooming until after February 15, 2020. It is hoped that by this time there will have been enough revenue into the ski account to fully process these payments. However, if there are not enough ski passes sold, grants may have to be reduced. We are hoping this is not the case, but want to make everyone aware of the situation in order to plan accordingly. DNR asks all ski GIA clubs and sponsors to be extra prudent this year with their funding, with the anticipation of these potential impacts.