

**Parks and Recreation Department
Budget 750
Senate Bill Nos. 2019, 2015**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriation (original)	66.00	\$33,294,213 ¹	\$14,862,835	\$48,157,048
2013-15 legislative appropriation	<u>55.00</u>	<u>20,157,338²</u>	<u>11,775,731</u>	<u>31,933,069</u>
2015-17 appropriation increase (decrease) to 2013-15 appropriation	11.00	\$13,136,875	\$3,087,104	\$16,223,979
2015-17 general fund budget allotment (4.05 percent)	<u>0.00</u>	<u>(\$1,348,416)</u>	<u>\$0</u>	<u>(\$1,348,416)</u>
Adjusted 2015-17 appropriation after budget allotment	66.00	\$31,945,797	\$14,862,835	\$46,808,632

¹The original legislative appropriation amount includes \$16,530,297 of one-time funding from the general fund. Excluding this amount, the agency's original ongoing general fund appropriation is \$16,763,916.

²This amount includes a 2013-15 biennium supplemental appropriation from the general fund totaling \$125,000 for operating costs of the Lewis and Clark Interpretive Center.

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

FTE changes - The 2015-17 biennium appropriation includes funding for 66 FTE positions, an increase of 11 FTE positions from the 2013-15 authorized level of 55 FTE positions.

Status/Result

The budget allotment reduced general fund appropriations for the Parks and Recreation Department by \$1,348,416. The department has reduced the administration line item by \$61,000 and the park operations and maintenance line item by \$1,287,416. One-time funding of \$58,000 was reduced from the administration line item, including \$16,000 for the 50th anniversary activities and \$42,000 for retirement payouts; \$1.2 million was reduced from the parks operations and maintenance line item, including \$1.15 million for park enhancements and \$50,000 for parks equipment.

The Parks and Recreation Department filled the following FTE positions on July 1, 2015:

- 1.00 park ranger at Cross Ranch State Park;
- 4.00 staff for the Lewis and Clark Interpretive Center;
- Converted 5 temporary administrative assistant positions to FTE positions; and
- Converted four .75 FTE positions into four 1 FTE positions.

One-time funding - In Section 2 of 2015 Senate Bill No. 2019 and later amended in Section 35 of Senate Bill No. 2015, the Legislative Assembly identified \$16,875,297, of which \$16,530,297 is from the general fund, as one-time funding for park enhancements (\$14,750,000), parks equipment (\$600,000), community grant program (\$500,000), International Peace Garden capital projects (\$335,297), trail lease renewals (\$200,000), statewide comprehensive outdoor recreation plan (\$90,000), repairs at Lewis and Clark Interpretive Center (\$75,000), 50th anniversary activities (\$25,000), retirement leave payouts (\$100,000), and International Peace Garden demolition project (\$200,000).

The Parks and Recreation Department anticipates all one-time funding to be used by the end of the 2015-17 biennium as follows:

Park enhancements	The department has allocated approximately \$6 million for various projects at several sites. The department reduced park enhancements by \$1.15 million as part of the February 2016 general fund budget allotment. The department anticipates the remaining funds to be allocated by early 2017.
Parks equipment	The department reduced parks equipment by \$50,000 as part of the general fund budget allotment. The department anticipates the remaining funds to be spent by the end of the 2015-17 biennium.
Community grant program	The department has awarded all funds and will be reimbursing recipients as expenses are incurred by the recipients.
International Peace Garden capital projects	The department has spent approximately \$37,000 of the \$335,297 designated for deferred maintenance projects and one-time equipment purchases. The department continues to work with the International Peace Garden Board of Directors and Executive Director for review of projects.
Trail lease renewals	The department anticipates current lease agreements to be renewed in January 2017.
Statewide comprehensive outdoor recreation plan	The department anticipates work on the plan to begin December 2016.
Repairs at Lewis and Clark Interpretive Center	The department anticipates repairs will be complete by the end of the 2015-17 biennium.
50 th anniversary	Funding was used during calendar year 2015. The department reduced the 50 th anniversary funding by \$16,000 as part of the general fund budget allotment.
Retirement leave payouts	The department anticipates more retirements will be delayed until the next biennium than originally anticipated. The department reduced retirement leave payouts by \$42,000 as part of the general fund budget allotment.
International Peace Garden demolition project	The demolition project is pending approval from the International Peace Garden Board of Directors.

Purchase of land - Section 7 of Senate Bill No. 2019 provided for the department to match federal funds of up to \$222,000 for the purchase of property adjacent to the north boundary of Fort Abraham Lincoln State Park.

The Parks and Recreation Department does not anticipate purchasing property adjacent to the north boundary of Fort Abraham Lincoln State Park. The appraisal value of the property was determined to be considerably less than the listed price; therefore, the Fort Abraham Lincoln Foundation has decided not to sell the land. The department is reviewing alternative land purchase options.

Game and fish operating fund - Section 3 of Senate Bill No. 2019 provides that \$122,000 from the game and fish operating fund, or federal or other funds available to the Game and Fish Department, must be transferred to the Parks and Recreation Department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the 2015-17 biennium.

International Peace Garden - The 2015-17 biennium appropriation includes \$1,508,996 from the general fund for the International Peace Garden, of which \$535,297 is for deferred maintenance projects, one-time equipment purchases, and one-time costs of the Peace Tower demolition project.

Exemption - International Peace Garden - Section 9 of Senate Bill No. 2019 allows up to \$1.25 million from the general fund included in the 2013-15 legislative appropriation for the International Peace Garden to be continued and spent during the 2015-17 biennium for an engineering study and repair of the Peace Tower at the International Peace Garden, and to the extent funds remain, for other infrastructure improvements. The funding is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources. Up to 10 percent of the funds provided from the general fund are for engineering study and emergency repairs and are not subject to the match requirement.

Lewis and Clark Interpretive Center - Section 7 of Senate Bill No. 2019 provides that \$2.05 million of one-time funding in the park operation and maintenance line item is for the transfer of the Lewis and Clark Interpretive Center from the Lewis and Clark Foundation to the state, and \$950,000 of one-time funding is for operating costs of the Lewis and Clark Interpretive Center. In addition, Section 5 of the bill provides that \$380,000 of one-time funding appropriated for the Lewis and Clark Interpretive Center is for building and maintenance costs and \$75,000 of one-time funding is for exterior building painting and staining costs.

2013-15 Biennium appropriation - Lewis and Clark Interpretive Center operating costs - Section 6 of Senate Bill No. 2019 appropriates \$125,000 from the general fund for the 2013-15 biennium, for operating costs of the Lewis and Clark Interpretive Center.

The Game and Fish Department has transferred approximately \$77,760 of game and fish operating funds for the period July 1, 2015, through December 31, 2015, to the Parks and Recreation Department. The department anticipates receiving the remaining funds by the end of the 2015-17 biennium.

The Parks and Recreation Department transferred the first payment of \$486,850 on July 15, 2015, for operations at the International Peace Garden. The second payment of \$486,849 will be made on July 15, 2016. In addition, the department transferred \$37,644 of the \$335,297 from the general fund for various maintenance projects and one-time equipment purchases. The department anticipates the International Peace Garden Board of Directors will use \$200,000 from the general fund for demolition of the Peace Tower by the end of the 2015-17 biennium. The department anticipates additional funding will be needed in the next biennium to address neglected capital improvements and major projects.

The Parks and Recreation Department continued approximately \$1.18 million from the general fund from the 2013-15 biennium to the 2015-17 biennium for infrastructure improvement projects. The department has spent approximately \$1,000 of these funds. The department continues to work with the International Peace Garden Board of Directors and Executive Director for review of projects.

The Parks and Recreation Department transferred \$2.05 million of one-time funding to the Lewis and Clark Foundation in May 2015. The department has spent \$599,000 of the \$1,005,279 from the general fund for building and maintenance costs, exterior building painting and staining costs, and 4 FTE positions. The department anticipates the remaining funds will be spent by the end of the 2015-17 biennium. In addition, the department has spent \$103,707 of the \$950,000 from the general fund for one-time operating costs. The department anticipates the remaining funds will be spent by the end of the 2015-17 biennium.

The Parks and Recreation Department spent \$116,849 of the \$125,000 from the general fund for the 2013-15 biennium operating costs of the Lewis and Clark Interpretive Center.

Exemption - Community Grant Funding - Section 8 of Senate Bill No. 2019 allows up to \$500,000 of unexpended community grant funding from the general fund included in the recreation line item in Section 30 of Chapter 15 of the 2013 Session Laws to be continued and spent during the 2015-17 biennium for the purposes provided in North Dakota Century Code Section 55-08-14.1.

Exemption - Pembina Gorge area project funding - Section 10 of Senate Bill No. 2019 allows up to \$200,000 of unexpended Pembina Gorge area project funding from the general fund appropriated in the natural resources line item in Section 30 of Chapter 15 of the 2013 Session Laws to be continued and spent during the 2015-17 biennium for renting property in the Pembina Gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail system in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

Mineral lease revenue - In a letter opinion dated October 18, 2011, the Attorney General stated the Parks and Recreation Department may deposit revenue from mineral lease bonus payments and lease royalties from lands under the management and control of the Parks and Recreation Department in the state park fund.

The Parks and Recreation Department continued \$240,783 of the \$500,000 from the 2013-15 biennium general fund appropriation for community grants. All funds have been awarded and the department anticipates all funds will be reimbursed to recipients by the end of the 2015-17 biennium.

The Parks and Recreation Department continued \$200,000 from the 2013-15 biennium general fund appropriation for the Pembina Gorge area project. The department has spent \$50,208 of these funds for rental of office space and easements of land for trail development. The department anticipates all funds will be spent by the end of the 2015-17 biennium.

The Parks and Recreation Department began earning mineral lease bonus and royalty revenue in March 2011 and began depositing the revenue in the state park fund in October 2011. The department has received \$64,991 in mineral lease bonus and royalty payments during the 2015-17 biennium to date. The current balance of the mineral lease bonus and royalty funds is \$823,948. The department has designated \$192,000 of the mineral lease bonus and royalty funds for various projects and operating costs for the 2015-17 biennium.