EXHIBIT 4
DATE 1-11-11
HB 3

The Bureau of Business and Economic Research

2010 Economic Impact Survey of Visitors to Montana State Parks

December 2010

PREPARED BY:
Bureau of Business and Economic Research
The University of Montana – Missoula
Missoula, Montana 59812

PREPARED FOR:
Montana State Parks
1420 East Sixth Avenue
P.O. Box 200701
Helena, MT 59620-0701

UREAU OF BUSINESS AND ECONOMIC RESEARCH

MONTANA STATE PARKS

Acknowledgements

Vigorous thanks must go to the following individuals for the effort they put forth to make this project a success:

Chas Van Genderen, Montana State Parks Administrator,
Roger Semler, Montana State Parks Field Operations Assistant Administrator,
Sue Dalbey, Montana State Parks Outdoor Recreation Planner, and especially
Montana State Parks Managers and Staff.

Thanks also go to Dr. Patrick Barkey for the patience and good humor he displayed during this project. Jim Sylvester and Janet Stevens of BBER worked diligently to supervise the data collection of this study. Finally, we are most grateful to the BBER telephone survey supervisors and interviewers. Their dedication to careful research and persistence made this study a success.

Executive Summary

Montana is a state of stunning physical beauty and outstanding recreational opportunities. Those opportunities bring visitors to the state from far and wide, enjoying our trails, rivers, and mountains and supporting a diverse and vibrant spectrum of economic activity in the process. In order to better understand and assess the experience and economic impact of resident and non-resident visitors, the Montana State Parks contracted with the Bureau of Business and Economic Research at The University of Montana (BBER) to conduct a comprehensive, survey-based assessment of state park visitors during the summer of 2010. This report details the findings of this project.

Based on information gathered from 1,100 completed interviews with visitors to 27 Montana State Parks, and utilizing a state-of-the-art analytical model of the economy of the State of Montana, this report finds that:

- Nonresident visitors to state parks spent 122.3 million dollars and produced 1,600 jobs in Montana in 2010,
- Park visitors were more satisfied with park staff service and facilities in 2010 than in 2002,
- Between 67.7% and 77.7% of resident visitors supported raising the current optional vehicle registration fee from $4.00 per year to $5.00 - $7.00 per year.

The fundamental conclusion of this study is that Montana State Parks represent an invaluable resource for the economy of Montana's regions, as well as the state as a whole. Satisfaction with the park experience, usage of parks, and spending as well as ultimate economic impact, continues to grow. Clearly the parks will continue to play an important role in the economic health of the state.

This executive summary presents a brief description of the study and then lists a few of the more important findings. Readers can use this executive summary to obtain a quick snapshot of this study's results. Detailed results and analysis are fully presented in the main body of the final report.

Survey Methods

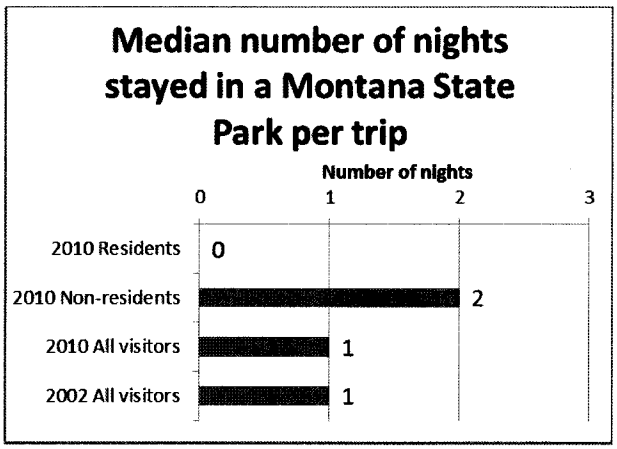
Montana State Parks needed current data on the economic impact visits to its parks have on Montana. Montana State Parks also needed to learn about visitor satisfaction and the demographic characteristics of visitors to Montana State Parks, as well as gauge visitor preferences for state park funding options. Bureau of Business and Economic Research (BBER) at The University of Montana-Missoula developed and administered a telephone survey to provide Montana State Parks with this information. Continuity in design with a previous version of this study conducted in 2002 was required to maintain result comparability so that trends could be analyzed.

The survey was administered from June 1, 2010 through October 7, 2010. The population sampled was all visitors to 27 Montana State Parks. Respondents were sampled by Montana State Parks staff using an in-person intercept process to collect contact information during three data collections periods: an early season period (June 1 – 6), a mid-season period (June 30 – July 12), and a late season period (August 20 – September 3). BBER used the contact information to conduct telephone interviews with sampled park visitors. Park visitors completed 1,100 interviews: 573 with residents and 527 with nonresidents. The response rate for the survey was 54.8%. The overall sampling error rate for this survey was +/- 3.0%. This means that if the survey were conducted 100 times, the proportions of responses found in 95 of the survey replications would be within 3% of those found by this survey. The sampling error rate was +/- 4.1% for residents and +/- 4.3% for nonresidents.

Visitor Group Characteristics

The average length of stay for state park visitor groups did not change in 2010 when compared to 2002 (see Figure E.1). A majority of resident visitor groups (53.6%) make day trip visits to a state park, though 46.4% stay at least one night. In contrast, nonresident visitor groups spend two nights when they visit a state park. Median number of nights stayed is reported here because it is less sensitive than the mean to the influence of a small number of very long park stays. Non-resident overnight stays have an important impact on Montana's economy, as will be described below.

Figure E.1



The overall size of vehicle groups in 2010 (3.4 people per vehicle) increased over 2002 (2.1 people per vehicle). An average vehicle occupied by residents visited a state park carrying 3.5 people in 2010, while a vehicle occupied by nonresidents carried 2.9 people in 2010.

Economic Impact of Non-Resident Visitation

Montana State Parks had over 1.9 million visitors in 2010. This represents a 50 percent increase over park visitation in 2002.

But among resident and nonresident users of Montana State Parks, only residents increased their use of state parks. Compared to 2002, resident visitation increased nearly 79 percent, while nonresident visitation decreased by 16 percent.

Total spending attributable to resident and nonresident visitors was over $289 million, up considerably (35 percent) from 2002 when park visitors spent $214 million. All 2002 spending figures cited here are adjusted for inflation to 2010 dollars. Primarily responsible for the increased spending is higher expenditures per group for both resident and nonresident visitors, larger group sizes, and the 79 percent increase in resident visitation to Montana State Parks.

IMPLAN was again used to model the economic impact of nonresident spending in Montana that was attributable to state park visitation. Increased sample size and improved modeling capabilities allowed for more Montana State Parks region-specific analysis.

Similar to the 2002 study, only nonresident spending is used to determine the economic impact of Montana State Parks. Nonresident spending in 2010 was $122.3 million.

At the statewide level, nonresident park visitors spent $122.3 million, and in the process, created nearly 1,600 jobs, $41.5 million in labor income, and over $126.7 million in industry sales. The economic impact of nonresident park users in the 2002 study was considerably less, after adjusting for inflation. Nonresident park visitors in 2002 contributed to 1,170 jobs, $28 million in labor income, and $97.3 million in industry sales. Higher group expenditures, and more visitors per group, offset reduced park attendance and shorter lengths of stay per group to increase employment by 36 percent, labor income by 48 percent, and industry sales by 30 percent when compared to the 2002 nonresident park spending.

Approximately 60 percent of nonresident spending occurred outside a 50-mile radius from the parks. Hence the ability of Montana State Parks to provide economic opportunities throughout the entire state is evident, since nearly 60 percent of the total impact for employment, labor income and sales likewise occurred at least 50 miles outside the parks.

Not all Montana State Parks Regions shared equally in the economic opportunities (see Table E.1). Differences in the number of state parks located within each region, expenditures, group size, and average length of stay contribute to differential impacts by Montana State Parks region. Impacts also differ between regions because there are different activities and facilities available at different parks.

Table E.1

Economic Impact of Montana State Park Visitation by Region

Montana State Parks Region	Nonresident Spending	Employment	Labor Income	Sales
1	$37,934	454	$11,997	$36,361
2	$22,480	288	$7,471	$22,591
3	$21,993	293	$7,549	$23,289
4/6	$10,984	177	$4,488	$13,937
5	$18,202	240	$6,326	$19,492
7	$10,733	140	$3,672	$11,007
All Montana State Parks Regions	$122,326	1,592	$41,503	$126,677

Source: IMPLAN. All dollars in thousands.

Table E.1 above distributes the total economy-wide impacts for jobs, labor income, and industry sales resulting from state park nonresident visitor spending. Montana State Parks Region 1, with almost a quarter of the state's parks, captures $37.9 million, or 31 percent of total nonresident spending. It follows then that Region 1 would benefit the most in terms of jobs, income, and sales. Nearly all Region 1 parks offer camping, which encourages longer visitor stays, and Region 1 has a higher proportion of nonresident visitors than other regions.

Possible State Park Funding Preferences

Resident park visitors expressed a broad range of clear preferences for future measures that could be used to fund operations and maintenance of state parks. The largest majority of resident park visitors supported these four items:

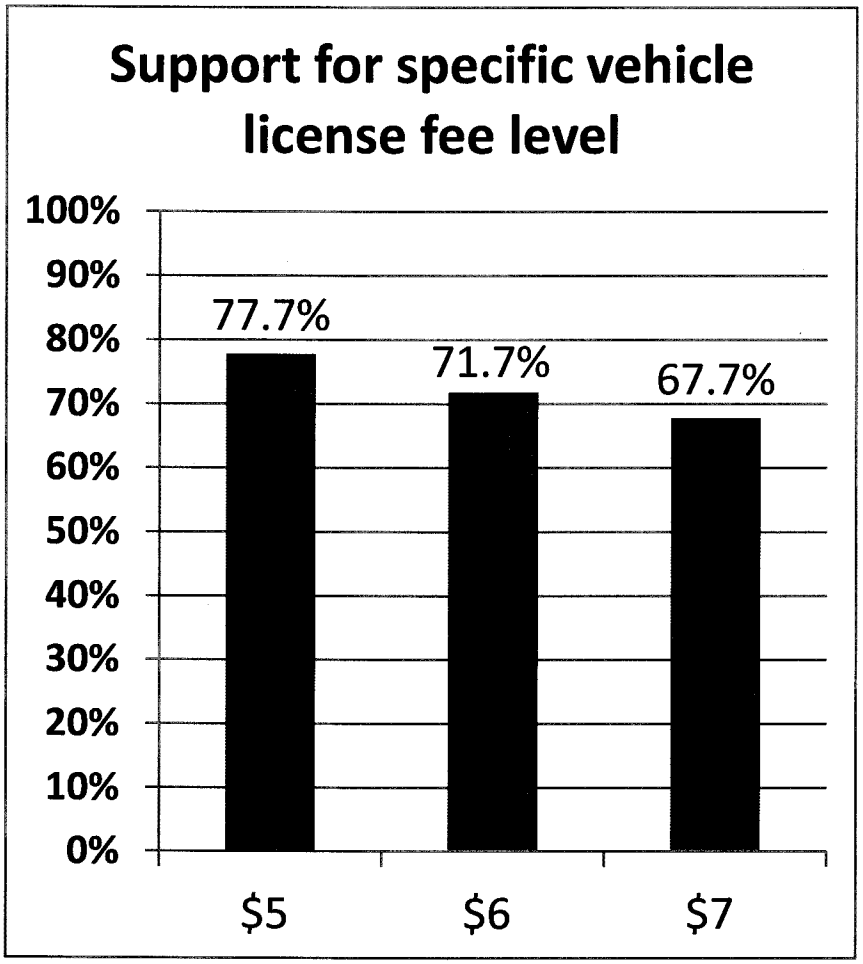
1. Increase use of volunteers (90.7% support),
2. Designating a portion of existing state taxes to parks (80.2% support),
3. Increasing park revenues by expanded sale of items such as firewood, ice, T- shirts and artwork (80.2% support), and
4. Enforcing user fee compliance more strictly (71.8% support).

The largest majority of resident park visitors opposed these four items:

1. Cut back on park maintenance and services (86.2% opposition),
2. Cutting back on public safety or enforcement of regulations (like quiet hours or littering) (84.5% opposition),
3. Privatizing state parks (79.3% opposition), and
4. Laying off employees (79.0% opposition).

Between 67.7% and 77.7% of resident park visitors supported raising the current optional vehicle registration fee from $4.00 per year to $5.00 - $7.00 per year (see Figure E.2). More than three-fourths of residents (77.7%) supported raising the fee to $5.00, and more than two-thirds of residents (67.7%) supported raising the fee to $7.00.

Figure E.2 Resident Support for Raising Optional Vehicle Registration Fee



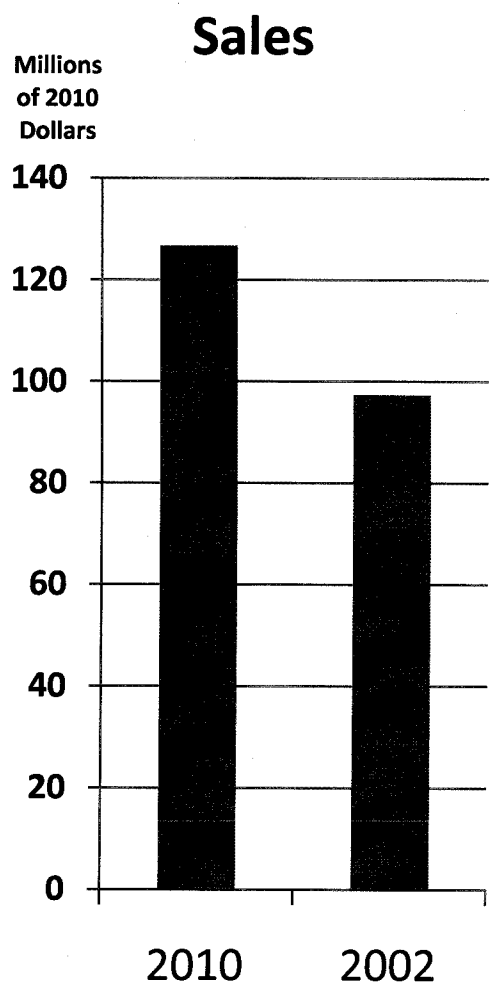
A slim majority of resident park visitors (53.0%) supported changing the optional Montana vehicle registration fee that allows for unlimited day use of state parks to a required fee, while 38.1% opposed making the fee a required fee. The remaining 8.9% were neutral about the change or answered that they didn't know.

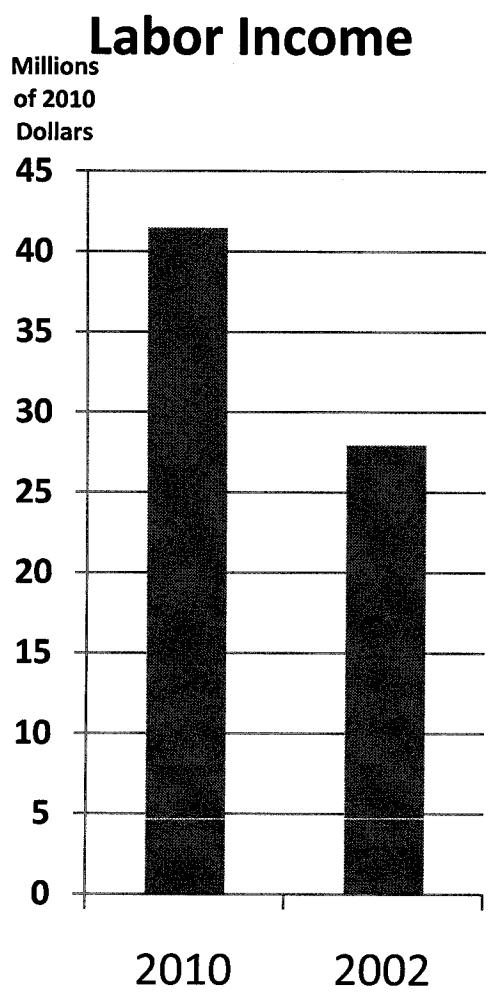
Visitor Satisfaction

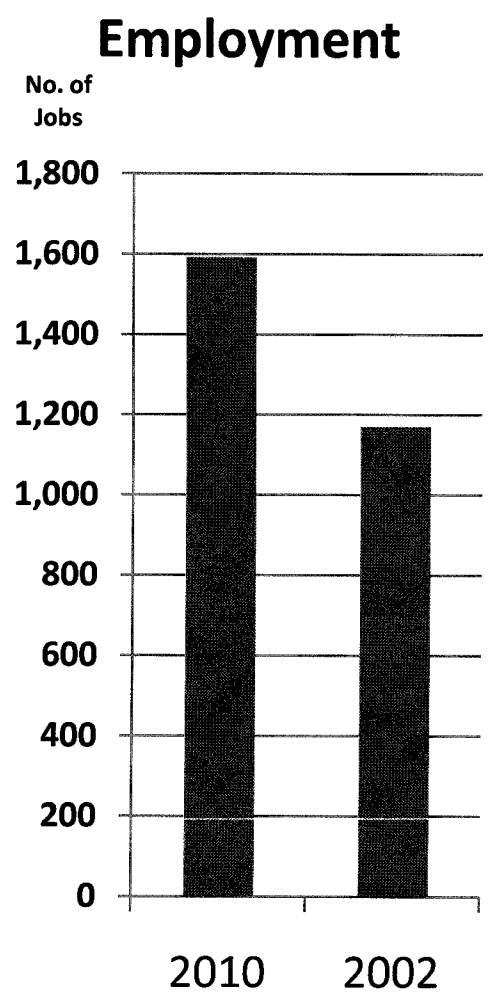
Park visitors were more satisfied with park staff service and facilities than in 2002 (see Figure E.3). Visitors rated their satisfaction on a one to five scale where one is not at all satisfied and five is very satisfied. Figure E.3 displays a selection of the eighteen features rated by park visitors, all of which were rated higher in 2010 than in 2002. None of the eighteen were rated lower.

Figure E.3

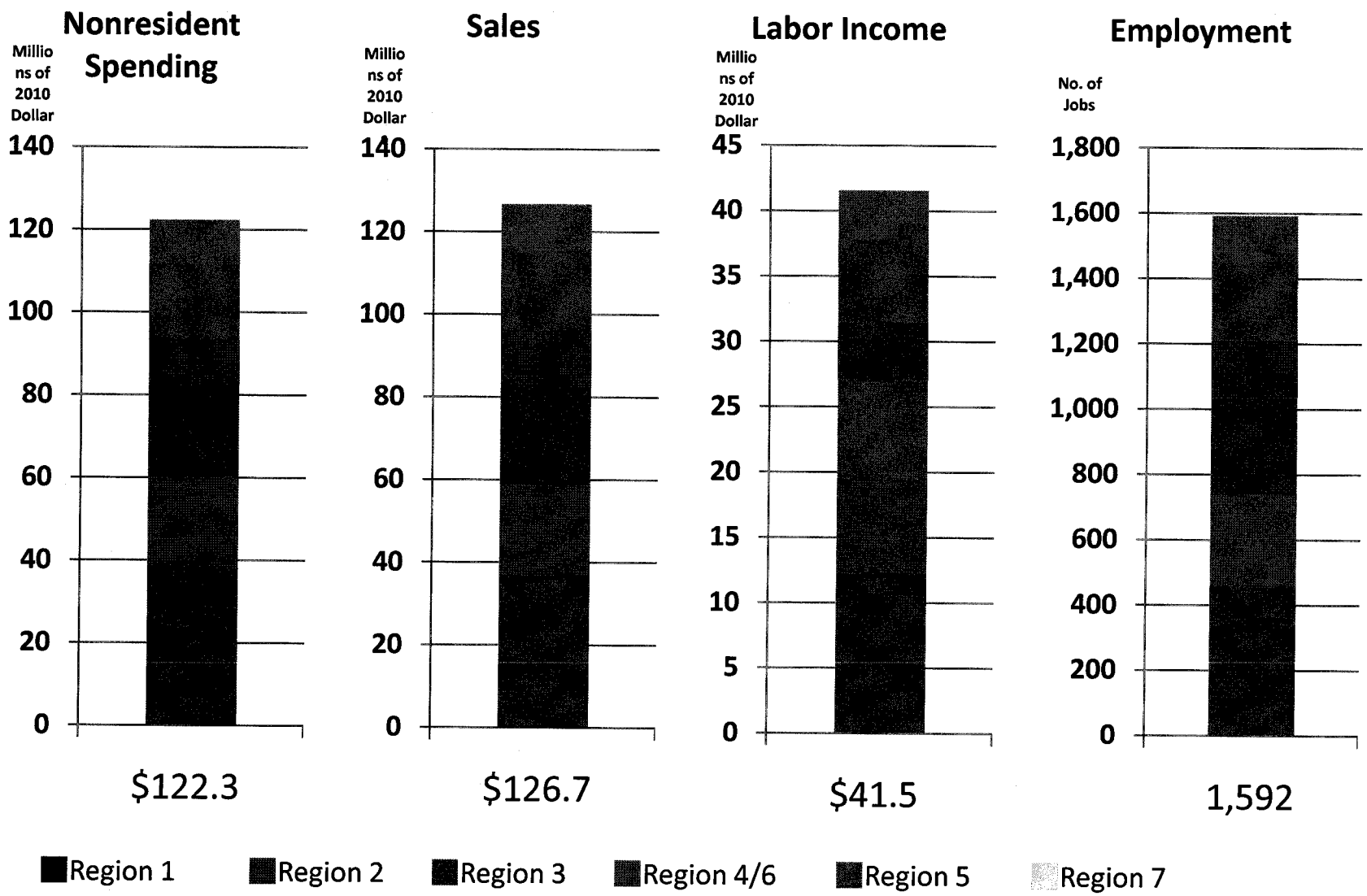
Nonresident Economic Impacts: 2010 and 2002





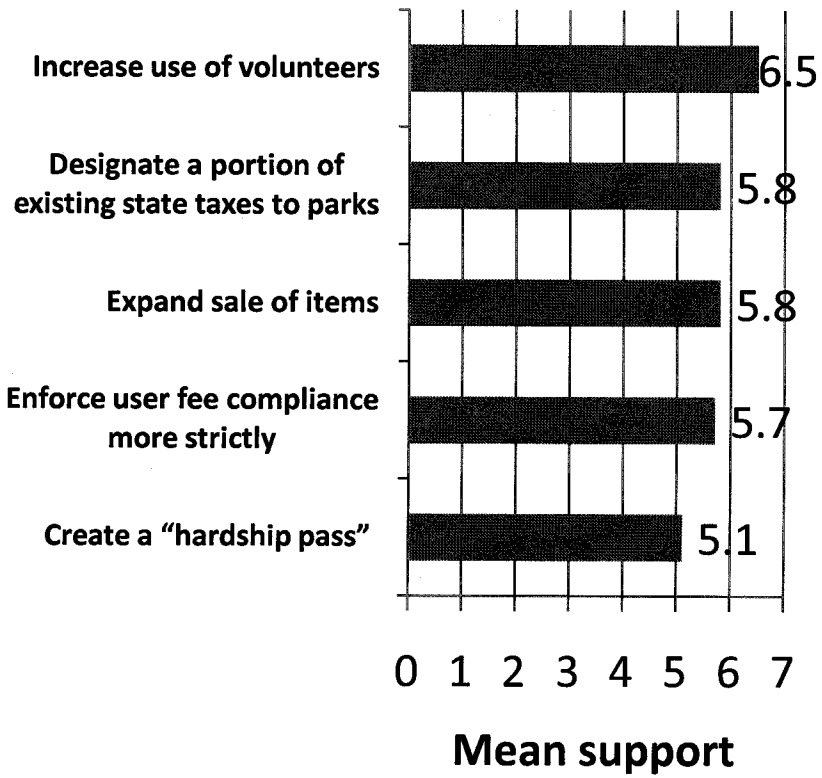


2010 Nonresident Economic Impacts by FWP Region

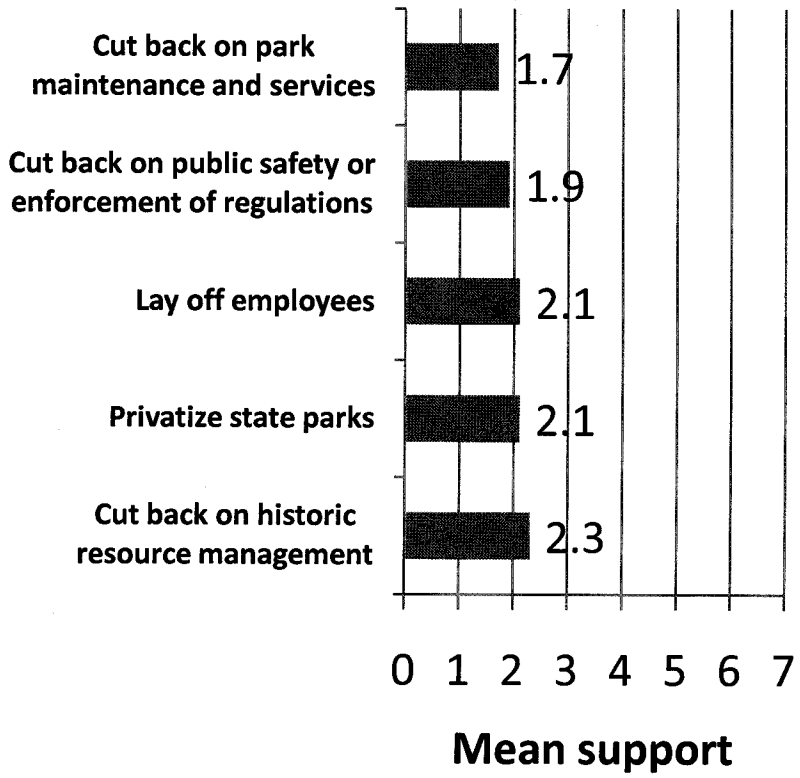


Funding Options (Residents Only)

Supported Options



Opposed Options



Mean score based on a scale of 1 to 7 where 1 is strongly oppose and 7 is strongly support