

Introduction

In its 63rd session, the Montana Legislature passed HB 24 creating the Montana State Parks and Recreation Board, and empowered the Board to:

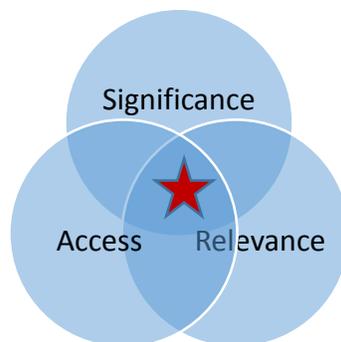
- a) “set the policies and provide direction to the department”
- b) “work with the commission to maintain hunting and angling opportunities”
- c) “establish the rules of the department governing the use of these properties and lands”
- d) “Review and approve all acquisitions or transfers”
- e) “Review and approve the budget for the department”
- f) “Review and approve construction projects”
- g) “Work with local, state, and federal agencies topromote recreational opportunities statewide” and
- h) “Encourage citizen involvement in management planning....”

On February 24 and 25, 2014, the Montana State Parks & Recreation Board (Board), joined by senior leadership from the Montana State Parks, participated in a facilitated retreat to identify strategic priorities for the Board over the next twelve to eighteen months, based on legislative direction as outline above. The Board discussed the role and purpose of the State Park system, current challenges in funding and operations, and opportunities in policy, regulation and legislation to improve the State Parks for the benefit of the people of Montana.

Montana State Parks – A Unique Role and a Unique Opportunity

While Montana is blessed with a tremendous amount of public land, the State Parks are a special resource, unique to the people and culture of Montana. The Montana State Parks are a system of sites intentionally set aside and preserved for public access because they are:

- Significant to all Montanans, representing the unique cultural, historic and recreational legacy of Montana;
- Accessible to all Montanans, offering ease of use regardless of wealth, physical ability, or location in the state; and
- Relevant to all Montanans with a wide range of services, activities and programming that appeals to the unique values and interest of the people of Montana and visitors.



The Board recognizes that there are significant challenges that have been present for more than 25 years as identified by the 1989 Montana Park Futures Committee, the 1998 State Parks Vision 2020, the 2002 Montana State Parks Futures Committee II, and the HJR32 Study of State Parks, Outdoor

Recreation, and Heritage Resource Programs – lack of sustainable operational funding, deferred maintenance, visitor services, variable visitor experience, cultural resources without adequate protection and areas of the state unserved by the State Park system.

To address these challenges, the Board and the agency will need to develop new models for sustainable funding, visitor services, and overall strengthening of the system - new models that reflect the most prudent use of public funds, innovative approaches to public/private partnerships, and the highest sense of accountability to all the citizens of Montana.

The Board believes it has the opportunity to develop truly innovative models for cooperation among state agencies, with local communities and with federal agencies. Just as the vehicle registration program was first developed in Montana and is now being adopted by other states, we believe we can develop additional approaches that may or may not be embraced by other states and other public land managers.

Strategy

The Board considered the range of historic challenges and the opportunities presented by the current economic, political and operational realities, within the context of the law signed by the Governor, and identified three key strategies to pursue:

- First, develop a diversified and sustainable funding model for the State Park system that:
 - Addresses both operational expenses and capital projects to maintain and improve parks;
 - Maximizes appropriate state funding sources, increases earned revenue, and builds a philanthropic revenue stream;
 - Applies commercial best practices to the management of public resources for the public benefit; and
 - Better leverage existing Federal funding opportunities that require a state match.
- Second, deepen existing and build new strategic partnerships with those key agencies and partners who have a shared stake in the operations and the success of the State Park system; and
- Third, build the constituency for the State Parks by engaging stakeholders, user groups, and the general public as partners and as advocates.



1. Sustainable
Funding

2. Strategic
Partnerships

3. Engaged
Constituents

1. Diversified and Sustainable Funding

A. State Funding Sources

1. The largest single source of funds to State Parks is the light vehicle registration fee, which was increased by the legislature in 2011. Operated on an “opt-out” basis, the program currently receives strong participation by Montana citizens (77% of light vehicles registered have paid the fee), an indication of the strong support for the State Parks. Sustaining that high level of participation, and working with those county staff who are not encouraging participation must remain a very high priority.
2. The State Parks also receive 6.5% of the 4% Bed Tax out of the total 7% collected through the Bed Tax. The tourism industry and its stakeholders are mobilizing to increase the investment in Montana’s single largest economic sector by retaining the full 7% for investment in tourism. The Board would like to join that effort in the 2015 Legislative Session.
3. The third area of state funding, the Coal Tax State Parks Trust Fund, also has opportunities to increase above the existing levels of support. In the short term, access to the Long Range Building Program either through a part of the Coal Tax Pie earmarked for Long Range Building or in the legislative bill devoted to the Long Range Building Program would give the State Parks the ability to cover serious capital needs and to leverage additional matching funds. Longer range, the Board will monitor changes in the Trust structure to identify additional opportunities to increase the revenue going into the Coal Tax State Parks Trust Fund.

- B. **Earned Revenue** – The second largest single source of funding is earned revenue (fees from visitor use), which thanks to the introduction of an online campground reservations system has been growing in recent years. The Board believes that the reservation system represents an example of how more business-like systems and policies can bring a higher level of service to Montana residents and out-of-state visitors and raise additional operating funds for the State Parks while at the same time making State Parks even more accessible to the public. The 2012 Concessions Report identified several barriers to increasing private investment in the State Parks, both capital investment and improved visitor services. The Board believes that policy changes can allow improvements in the State Parks without the investment of state funds or an increase in FTE on the part of the agency. The Board would like to pursue these policy changes. The Board would also like to pursue other efforts to increase the revenue potential from both visitor fees and concession contracts.
- C. **Philanthropy** - The Board believes there is significant untapped potential for philanthropic support of the State Parks in concert with broader efforts to build and engage a constituency for the State Parks. The Board will work with the staff to develop a strategy to leverage potential investments by corporate partners and high net worth individuals. First, to be able to capitalize on possible immediate opportunities, the State Parks staff will develop a short list of fundable capital projects ranging from mid five figures to mid six figures in cost. This list will be shared with the Board. Over the balance of 2014, the Board will work with the staff to assess the capacity and interest of potential charitable partners, including the Outdoor Legacy Foundation, Our Montana, and other options. The Board will also develop policies, based on best practices with or without guidance from other public lands agencies, for acceptance of charitable gifts and appropriate donor recognition as well as the development of other private contributions for Montana Parks and Outdoor Recreation.

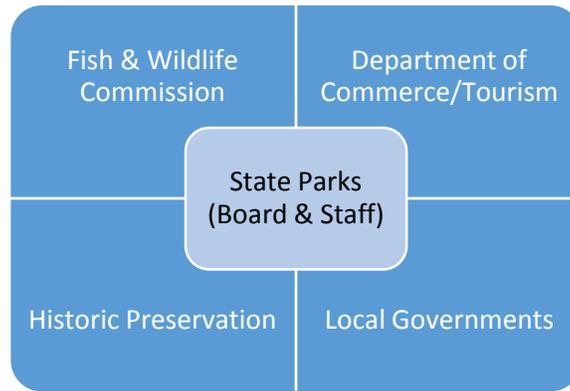
2. Strategic Partnerships

To advance the State Parks, the Board and staff will work to deepen existing strategic partnerships and create new partnerships with a number of key partners. The immediate priority will be strengthening those partnerships that are directly tied to the 2015 Legislative agenda. Following the Legislative session these partnerships will be further developed and deepened.

- A. **Fish and Wildlife Commission** – The Board will make a priority of engaging with the Fish and Wildlife Commission in order to integrate strategy and policy across the Department of Fish, Wildlife and Parks. In particular, the Board will seek to forge common approaches in jointly operated sites and across jointly shared functions to ensure coherent and effective management and customer service.
- B. **Department of Commerce / Tourism Community** – The Board will seek to more closely align the strategy, operations and marketing of the State Parks with the growth of the Montana tourism industry, recognizing the economic impact and potential for greater impact of the State Park system. Working first through the Department of Commerce and Travel Montana, and then through local convention and visitor bureaus where there is a strong State Park presence, and finally with the business interests who are part of the tourism industry, the Board will pursue opportunities for collaboration and cooperation that advance mutual interests.
- C. **Historic Preservation** – Recognizing that there are several key players (i.e. the Montana Historical Society, the Montana Heritage Preservation and Development Commission, the Montana University System) with responsibility for preserving and making accessible the historic and cultural heritage of Montana, the Board will seek to convene these interests, share

perspective and strategy, and facilitate the development of a statewide approach without necessarily assuming management of any additional sites or resources.

- D. **Local Governments** – The Board will build relationships with organizations that represent local governments, including the Montana Association of Counties, the Montana League of Cities and Towns and local Chambers of Commerce. These relationships will help inform Board policy decisions and strengthen the constituency that values state parks.



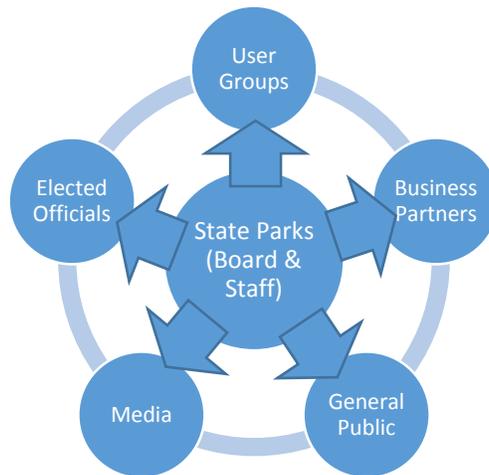
3. Building a Constituency for State Parks and Recreation

State Parks and Recreation programs belong to the citizens of Montana, and are managed primarily for their use and enjoyment. To better serve Montana citizens, and to more deeply engage them in the management and growth of the State Parks, the Board will work with the staff to develop systems for regular two way communication with individual constituents as well as a wide range of stakeholder groups.

- A. The Board and the agency will conduct outreach to a wide range of **user groups** and citizens to engage them in the work of the Board. Among the groups are: MTRPA, Montana Mountain Bike Alliance, the Montana Snowmobile Association, Off Road Vehicle organizations, Trout Unlimited, Audubon, Good Sam and other RV Clubs, local and statewide history groups, Bikewalk Montana, Our Montana, and other groups.
- B. The Board and agency staff will more systematically engage with its current and potential **private business partners** -- concessioners, guides and other providers who have contracts or permits to operate within the parks, as well as the private contractors, architects and engineers who conduct our capital projects, and other business partners.
- C. The Board and agency will also begin systematically engaging with the **general public**. Within the limits of privacy laws and state policy, the Board will collect email addresses from public engagement on proposed rules, campground reservations, visitor comment cards, and public participants in the statewide strategic planning effort. We will also connect with the State Park friends groups to improve their effectiveness and support overall. And the Board will utilize any other methods open to them to engage the general public in greater support for and attention to Montana Parks, Montana Heritage Sites, and Outdoor Recreation Programs.
- D. The Board and agency will also regularly engage with **elected officials and opinion leaders** statewide through direct outreach and through the **media**. The Board will develop an OpEd outlining their vision for the State Parks, and asking for support for the policy and legislative steps to achieve that vision. The Board will also respond to significant news coverage or editorials with Letters to the

Editor. The Board will participate in candidate forums this fall, to ensure elected officials are reached at their most receptive moment. And on a targeted basis, the Board will work with the agency to bring legislators to State Parks, to illustrate the promise and the challenges and to otherwise engage legislators in the general needs of Montana’s State Parks.

Two key issues must be addressed immediately before beginning a communication program with these constituents. First, the Board and staff will need to collaborate on the development of a simple database that can be used to collect contact information, and then distribute periodic updates to these constituents. Second, the Board and agency will need to develop a communications vehicle, most likely an electronic newsletter that regularly provides constituents with updates on State Park issues, and invites feedback.



Implementation - Policy and Legislative Agenda

The Board will work with the staff, the leadership of FWP, and with the Executive Administration to develop and implement a series of policy changes that will advance this strategy. Given the timing of the Legislative session and the urgency of addressing Pillar 1, Sustainable Funding, the legislative agenda will be focused on that Pillar in 2015. Partnership development and public engagement will be in support of the strategic planning process and the legislative agenda, and will build the foundation for further efforts in 2015 and beyond.

1. In preparation for the expiration of current user fee policies in December 2014, the Board and staff will conduct a thorough review of all camping, non-resident entrance, commercial use and other fees. The Board will develop a proposed fee schedule that uses best practices from other public land managers, that accounts for market conditions including differential pricing of sites by quality and season, and that continues to provide access for Montanans of all incomes but levels the playing field with private operators of similar services and otherwise minimizes potential conflicts with private enterprises.
2. The Board and staff will review the December 2012 Concessions report and identify policy and statutory changes that will increase the opportunity for investment of private capital into state park facilities, that will support additional high quality visitor services at no or reduced cost to the State,

and that will create other opportunities for Montana entrepreneurs to provide service to State Park visitors.

3. Although the Board recognizes that there are significant gaps in the State Park system, including a lack of parks in Eastern Montana, the Board will adopt a moratorium on the acceptance of any new State Parks for the next five years, unless an opportunity presents itself for the state to acquire a site that meets the definition of statewide significance, that can be acquired at no cost to the citizen of Montana, and that comes with resources and/or a business plan for that site's sustainable operation for the foreseeable future.
4. Over the years, the agency has been tasked with managing sites that do not necessarily meet the thresholds of significance, access or relevance to be classified as State Parks. The Board will first develop a working definition of "significance" based on a study of the best practices of the National Park Service, other states, and other important factors. The Board will then work with the staff to identify those sites that do not meet that definition, and pursue a range of potential management approaches that will preserve the outdoor needs of the citizens of Montana while, at the same time, ensuring that the State Park brand continues to have meaning and quality. Among the potential approaches are:
 - a. Divestment outright, where the property is transferred to another agency or entity with the capacity to manage it;
 - b. Co-management with another state or local agency; or
 - c. Continuing management, but without the State Park designation or brand.

In the 2015 Legislative Session, the Board will pursue the following initiatives to secure sustainable funding for park operations and capital needs.

1. The Board will join with the broad coalition of tourism interests, convention and visitors' bureaus and other stakeholders to advocate for the dedication of the full 7% bed tax revenue to tourism promotion activities, instead of just the 4% as is the current system. Within the coalition, the Board will also explore the potential for increasing the State Parks share beyond the current 6.5%.
2. To address the long term capital needs, particularly as they relate to visitor safety and resource preservation, the Board will pursue eligibility for the Long Range Building Program or other mechanisms to provide a long-term source of funding for critical projects, and access to federal funds that require a state match.
3. Currently two State Parks are facing critical issues with life safety systems – Bannack State Park needs a fire alarm system, which is estimated to cost \$1.4 million dollars. Lewis and Clark Caverns, one of the most popular sites in the State Park system, needs a comprehensive upgrade to its electrical system to bring it into compliance with state and federal electrical codes. That is estimated to cost \$2 million dollars. The Board will pursue a one-time appropriation from the general fund or bonding to address these critical issues. This appropriation will be used entirely to purchase supplies and hire private contractors in Montana, and will not add any FTE's to the State Parks payroll.
4. Evaluate and adopt an increase in user fees now scheduled to expire in December 2014 consistent with the concerns set forth above and propose legislation as need to implement these increases.
5. Propose legislation to extend the current seven year limit on concession contracts to allow for major development of improvement to the State Park system and propose other measures that would make such improvements and other beneficial concession activity more attractive to private enterprise.

6. Propose changes in the Coal Tax State Park Trust Fund that will have long range benefits to Montana State Parks as well as possible changes in the Coal Tax Pie that would benefit State Parks.
7. Propose legislation to adopt a moratorium on the acquisition of any new State Parks consistent with the conditions set forth above.
8. Propose legislation that may be necessary to fully implement the above policy of divestiture, co-management, or other arrangements to reduce the management and cost burden of parks that can be better managed in other ways.

Next Steps

To move forward with this agenda as directed in the law with strong support from the Legislature, the Board will identify a strategic policy or management issue to be addressed at each of its coming meetings in 2014, and will advertise those topics so that the public can be aware and can offer input into those deliberations. Each of these strategic discussions will require preparation by the staff and the Board, including research into best practices, policy and management alternatives and their implications, and impact on stakeholders and other constituencies. The proposed schedule is:

- April – Joint Meeting with Fish and Wildlife Commission
- June – User Fee Revisions
- August – Concessions policy / Public Private Partnerships
- October – Finalize Strategic Plan/Vision and Finalize 2015 Legislative Agenda and Strategy
- December – Divestment/Alternate Management Approaches
- 1st Meeting 2015 – Budget Review
- 2nd Meeting 2015 - Developing State Park Philanthropy
- 3rd Meeting 2015 – Post Legislative Session Planning

The strategic planning process underway offers an excellent opportunity for the Board to engage with the public to solicit their input and their support for the State Parks. The Board will work closely with the staff to identify opportunities for Board involvement in the process, to ensure that the learnings from the process are incorporated into the Board's work, and to provide support to complete the process by October 2014.

Evaluation

The Board will adhere to highest standards of accountability and transparency. At the end of each calendar year, the Board will conduct a self-assessment of progress made against this strategy, and will publish that assessment on its website, with the opportunity for public comment.