

fiscal forum

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Michigan State Parks Endowment Fund

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Executive Summary

Michigan's State Park System offers a vast variety of recreation opportunities throughout the state. As of July 2012, the State Parks System includes 70 state parks, 211 recreation areas, 5 state scenic sites, and 5 state linear parks encompassing over 350,000 acres. Known for their exceptional natural beauty, these park facilities collectively possess natural features ranging from mountains, forests, trails, and wilderness to rivers, lakes, waterfalls, and the sandy beaches of the Great Lakes. Hosting over 25 million visitors each year, Michigan's state parks offer over 14,000 individual camping sites—which is second nationally only to California for the most state-owned campsites.

Mackinac Island State Park became the first state park in Michigan when federal land on the island was transferred to the state after the closure of Fort Mackinac in 1895. In fact, it is believed that it is the first officially designated state park in the nation. Now Michigan boasts 70 state parks that range from the smallest, the William G. Milliken State Park, which is the first urban state park and covers 31 acres in Detroit to the largest, the Porcupine Mountains Wilderness State Park, which encompasses over 59,000 acres in the Upper Peninsula.

In 1994, a new restricted fund, the Michigan State Parks Endowment Fund (MSPEF), was established in the Michigan Constitution with the passage of Ballot Proposal P to be used to help finance the operations, maintenance, capital improvements, and land acquisition for state parks.

Up until May 2011, the MSPEF received an annual \$10.0 million transfer from the Michigan Natural Resources Trust Fund (MNRTF), as required by law. Until the MNRTF reached its constitutional cap of \$500.0 million in May 2011, the MNRTF received the annual revenues generated by mineral extractions from most state lands. However, once the MNRTF reached this cap, the Constitution requires that the MSPEF must now receive all of these revenues until it reaches an \$800.0 million principal balance. The MSPEF is allowed to expend up to 50% of this revenue and all of the interest and earnings of the Fund each year. At the close of FY 2012, the MSPEF principal corpus was \$173.2 million, which is \$626.8 million below the \$800.0 million constitutional cap.

The MSPEF is structured to eventually become a perpetual fund, in that once it reaches the \$800.0 million principal cap, only the interest and earnings of the Fund may be expended each year, leaving the principal balance intact.

Michigan State Parks System currently has:

- ◆ 70 State Parks
- ◆ 211 State Recreation Areas
 - 145 state forest campgrounds
 - 66 non-motorized forest pathways
- ◆ 5 State Scenic Sites
- ◆ 5 State Linear Parks

Assuming a 5.0% interest rate, once this balance is reached, the Fund would be able to expend approximately \$40.0 million in each of the following years in perpetuity.

Background Information

In statute, a state park is defined as "a state park or a state recreation area designated by the director" (Part 741 of the Natural Resources and Environmental Protection Act (NREPA)). In April 2012, the Department of Natural Resources (DNR) Director issued a Land Order which also designated state forest campgrounds and non-motorized pathways as state recreation areas and, therefore, effectively state parks for organizational and funding purposes.

The MSPEF is a restricted fund in the DNR budget that may be expended to finance the operations, maintenance, capital improvement, and land acquisition for Michigan state parks. The Fund has constitutional restrictions on the revenues that must be deposited into it and on how the funding may be used. The MSPEF was established in Article IX, Section 35a, of the Michigan Constitution with the passage of Ballot Proposal P by the voters in November 1994. Public Act 58 of 1995 authorized the Fund in statute as Part 741 of NREPA.

The statute that created the MSPEF states that the Fund may also be referred to as the Genevieve Gillette State Parks Endowment Fund. A fund by this name was created by Public Act 79 of 1994 which was repealed the following year by Public Act 1995—the statute that created the MSPEF. This honorary name for the MSPEF was an attempt to help recognize the contributions of Ms. Gillette, who was instrumental in the development of the Michigan State Park System and donated her inheritance to it. An avid conservationist, she was the founder and president of the Michigan Parks Association—which she established in 1959—and is considered a key figure in convincing the Legislature to allocate \$100.0 million bond revenues in 1968 to fund the development of additional state parks.

The MSPEF can receive funding or other assets from any source, and all interest and earnings from the Fund's investments must be credited to the Fund. The Fund was established in 1994 with a \$40.0 million transfer from the sale of the Accident Fund of Michigan to provide the initial funding for permanent investment. From 1994 until May 2011, the main source of revenue to the Fund, other than the initial \$40.0 million transfer, has been an annual deposit of \$10.0 million from the MNRTF; this transfer was required by the Constitution until the MNRTF reached its \$500.0 accumulated principal cap.

Under the provisions of Proposal P in 1994, the Legislature could only make annual appropriations of up to \$5.0 million from the MSPEF. However, in 2002, Michigan voters enacted Proposal 2 which made two substantive changes to the MSPEF. The first change increased the amount that could be expended each year from only \$5.0 million to the sum of half of the amount transferred from the MNRTF (\$5.0 million) and the annual interest and earnings from the MSPEF. The second change was to allow the State Treasurer to invest the Fund in a wider array of investments and eliminated a prior restriction on investing in stocks.

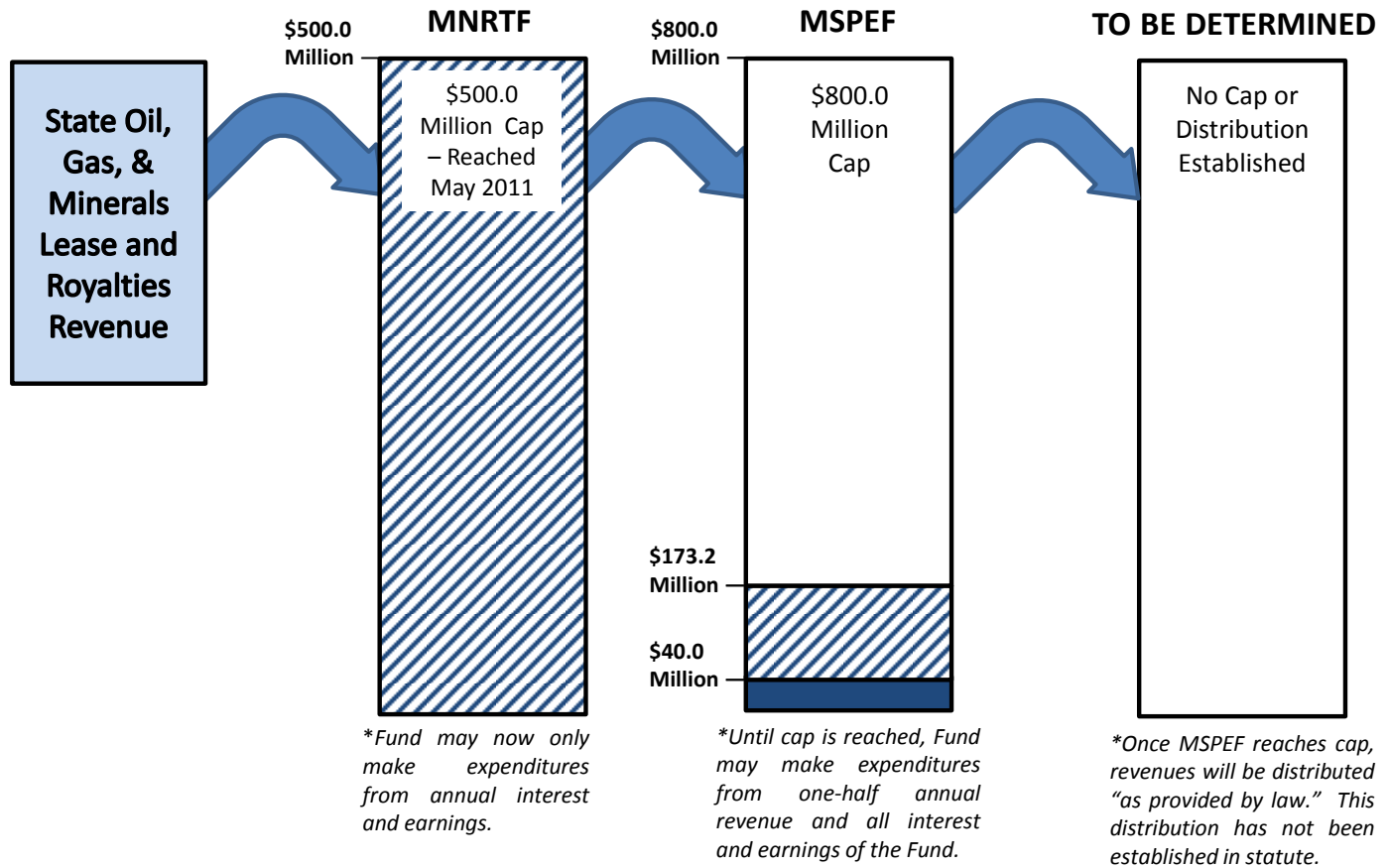
The MNRTF is a restricted fund established in Article IX of the Michigan Constitution and designated in statute in Part 19 of NREPA to provide funding to state and local units of government for land acquisition and the development of public recreation facilities. Until the MNRTF reached a \$500.0 million principal balance, all revenues generated from the sale or lease of mineral rights and any subsequent royalties from oil, gas, and mineral extractions from state-owned lands were required to be deposited into the Fund—except revenues from lands purchased with Game and Fish Protection Funds or certain federal funds. These latter revenues must be deposited into the Game and Fish Protection Trust Fund. The MNRTF reached this \$500.0 million cap in May 2011. Before this cap was reached, the Fund was required to make an annual deposit into the MSPEF each year of up to \$10.0 million, and the MNRTF could expend one-third of the remaining annual revenues and all of the interest and earnings from the investment corpus annually.¹

¹ For a more comprehensive review of the MNRTF, see [*Fiscal Focus: Michigan Natural Resources Trust Fund*](#) on the House Fiscal Agency website.

Once the MNRTF reached this cap, the Constitution requires that these state mineral revenues must now be deposited into the MSPEF, until that fund acquires an \$800.0 million principal investment balance. Under current law, until the MSPEF reaches this cap, one-half of the annual revenue, plus all of the Fund's interest and earnings, may be appropriated by the Legislature for the purpose of operating, maintaining, and improving Michigan's state parks. When the MSPEF reaches the \$800 million cap, only the interest and earnings in excess of what is needed to maintain the Fund's accumulated principal limit will be available for expenditure. The Constitution further requires that, unlike the MNRTF, once the principal cap is reached, it will be adjusted annually and increased for the rate of inflation.

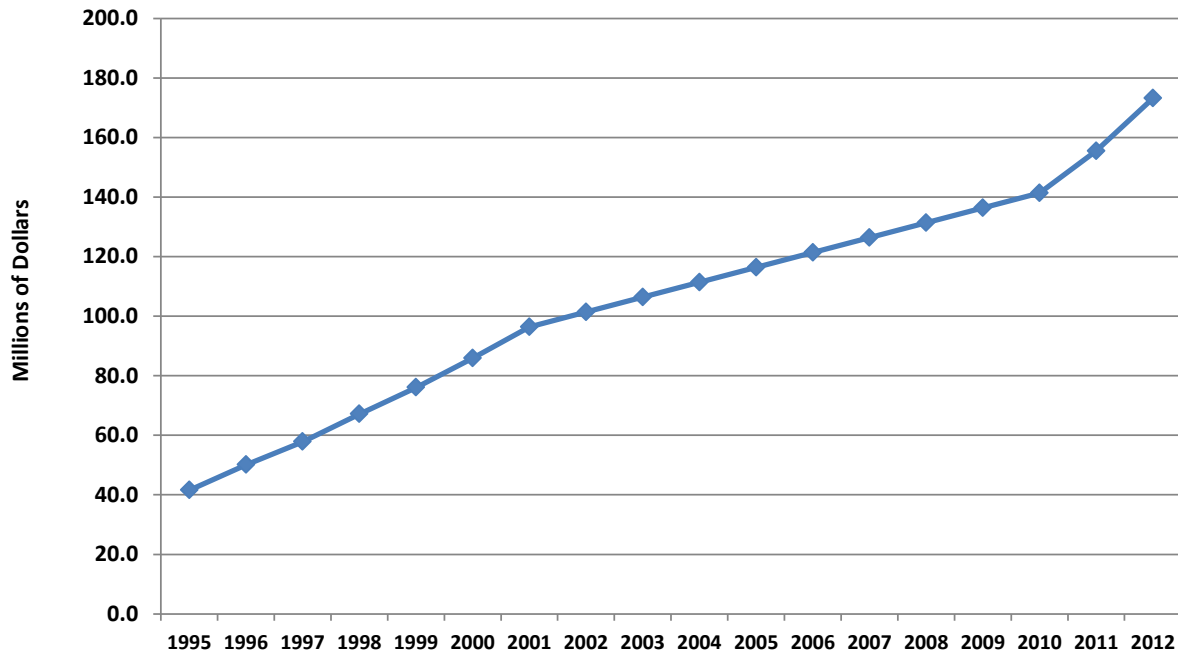
The Constitution provides that when the MSPEF reaches this cap, these state mineral revenues shall then be distributed "as provided by law." Currently, the Legislature has yet to address in statute this distribution mechanism or where the funding would then go. Figure 1 below illustrates the constitutional provisions concerning the distribution of oil, gas, and mineral revenues from state lands into the MNRTF and the MSPEF.

Figure 1
State of Michigan Oil, Gas, and Minerals
Lease and Royalties Revenue Distribution



At the close of FY 2012, the MSPEF investment corpus was \$173.2 million, which is \$626.8 million below the \$800.0 million cap. Figure 2 details the annual historical balance of the MSPEF investment corpus each year since the Fund was established.

Figure 2
Michigan State Parks Endowment Fund
Investment Corpus Balance History
FY 1995 – FY 2012



Note: The annual balance totals above do not include any balances in the MSPEF Stabilization Reserve Fund.

Data Source: Department of Natural Resources

Since the Fund's creation in 1994, the corpus balance has grown from the original \$40.0 million initial investment in FY 1994 to \$173.2 million at the end of FY 2012, a growth of \$133.2 million over eighteen years. This growth reflects an average increase of \$7.4 million annually. Because the MNRTF reached its cap in May 2011, the MSPEF began receiving state mineral revenues midway through that year. FY 2012 was the first year that the MSPEF received all of the mineral revenues for an entire year and, while the MSPEF will no longer receive the \$10.0 million MNRTF transfer, the Fund is anticipated to receive additional revenues greater than this \$10.0 million amount in the succeeding years.

From FY 1997 to FY 2011, the last fifteen years in which the MNRTF received these mineral revenues, the Fund received over \$814.5 million from state oil, gas, and mineral revenues, which is an average of \$54.3 million per year. While FY 2010 was an outlier in which the MNRTF received a record \$156.0 million in revenues, in every other year during this time period, the Fund still received at least \$27.0 million from these revenues. If the record revenues of FY 2010 are removed from the calculation, the average mineral revenues to the MNRTF of the remaining fourteen years would still be \$47.0 million.

While the annual amount of mineral revenue can be greatly affected by market conditions, based upon the recent mineral revenue history of the MNRTF, it could be assumed that the MSPEF would likely receive mineral revenues within the range of \$30.0 to \$50.0 million each year, beginning in FY 2012. Of this amount, the Legislature may appropriate up to one-half annually, in addition to all of the Fund's interest and earnings, for Michigan state parks. The remaining one-half of the minerals revenues would be added to the Fund's investment corpus. In fact, in FY 2012, the MSPEF received oil, gas, and mineral royalties totaling \$35.5 million. One-half of this revenue, \$17.7 million, was deposited into the MSPEF investment corpus which grew from \$155.5 in FY 2011 to \$173.2 million in FY 2012.

State Oil, Gas, and Mineral Revenues

The DNR manages 4.6 million acres of state-owned land and is the only state agency with the authority to lease the mineral rights for state and federal lands in Michigan. While the DNR also leases the mineral rights for both metallic and nonmetallic minerals, the majority of the mineral revenues are generated from oil and natural gas exploration and extraction.

There are four different types of mineral leases: oil and gas, gas storage, metallic, and nonmetallic minerals. Table A below lists the total amount of acres that are leased for each type, as well as the number of each type of lease that the state has sold, as of August 2012.

Table A
Active Leases of State-Owned Mineral Rights in Michigan
(As of August 13, 2012)

<u>Type of Mineral Lease</u>	<u>Total Acres Leased</u>	<u>Number of Leases</u>
Oil and Gas	1,511,265	14,917
Gas Storage <i>(Underground storage of natural gas)</i>	39,106	97
Nonmetallic Minerals <i>(Sand, gravel, limestone, salt, peat)</i>	35,159	180
Metallic Minerals <i>(Gold, silver, copper, platinum, nickel, etc.)</i>	35,646	163

Data Source: Department of Natural Resources

The DNR currently conducts a lease auction for the right to extract oil and natural gas from state-owned land two times a year, usually in May and October. The primary term for these leases is for five years and can be continued thereafter as long as oil and gas are produced in paying quantities. The DNR publishes a catalog of the land parcels that will be included in each auction on their website before the sale.

The state receives earnings from mineral leases from three different revenue streams. A lessee must pay a "bonus bid" per acre at the time of the auction to win the right to lease a parcel of land. The minimum bonus bid is ten dollars per acre. Lessees must also pay an annual rent of two dollars per acre on the acreage that is leased. Finally, the DNR receives one-sixth of the oil and gas production generated on the land parcel as a royalty on all auction leases.

*Leases Generate Revenue
Three Ways:*

- ◆ *"Bonus Bids" at the Auction to Win Lease Rights*
- ◆ *Rent on Leased Acres*
- ◆ *Production Royalties*

The first State of Michigan oil and gas lease auction was held in 1929. During the time period between that first auction and May 2010, the state had received a total of \$190.0 million in bonus payments from the oil and gas lease auctions. However, in May 2010, the DNR held a record-breaking auction that netted \$178.0 million in bonus payments in one day. Of this \$178.0 million, \$113.9 million was deposited into the MNRTF and \$64.5 million was deposited into the Game and Fish Production Trust Fund. In subsequent oil and gas lease auctions, however, the DNR has only netted \$10.2 million or less. In fact, in the May 2011 auction, the state only received \$771,994 in bonus payments.

Table B presents the revenues from the auctions of oil and gas leases held between May 2008 and October 2012 and the amounts deposited into the MNRTF and the MSPEF.

Table B
Revenue from Oil and Gas Lease Auctions for State-Owned Land
May 2008 – October 2012

<u>Date of Auction</u>		<u>Total Acres Leased</u>	<u>Total Revenue to State</u>	<u>Total Revenue to MNRTF</u>	<u>Total Revenue to MSPEF</u>
May	2008	149,548	\$ 13,904,295	\$ 12,053,258	\$ 0
October	2008	223,218	4,472,570	3,679,998	0
May	2009	32,039	714,145	690,523	0
October	2009	6,147	176,014	158,398	0
May	2010	118,117	178,319,191	113,449,874	0
October	2010	273,689	10,227,847	8,963,970	0
May	2011	35,052	771,994	676,159	0
October	2011	46,659	1,471,507	0	1,325,918
May	2012	91,225	4,064,329	0	2,489,283
October	2012	147,548	2,991,445	0	1,916,924

Data Source: Department of Natural Resources

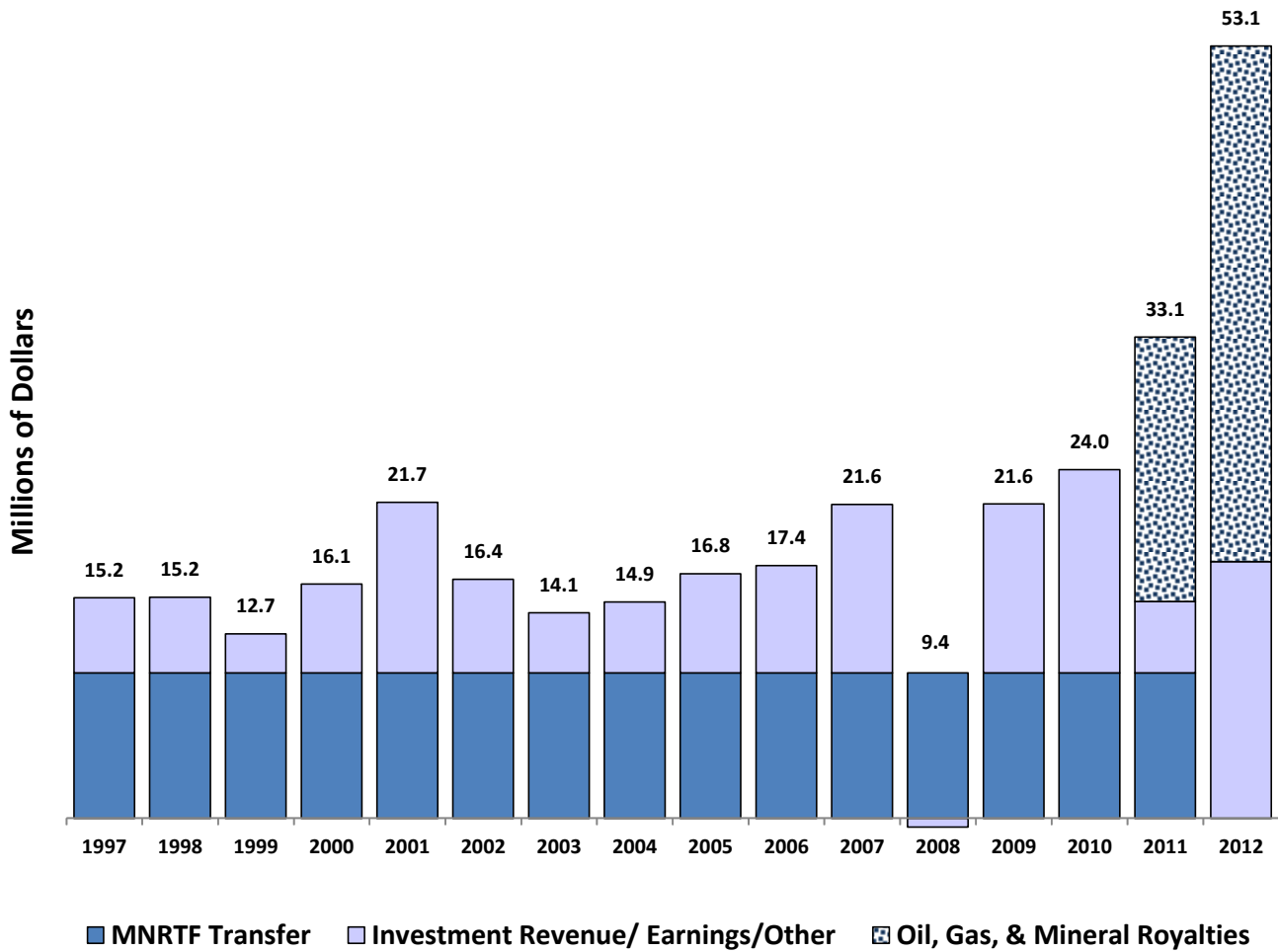
The MNRTF received the mineral revenues from the oil and gas lease auctions until May 2011. The Fund did not receive any mineral revenues from the October 2011 and any following auctions because the MNRTF had reached its constitutional cap before these were conducted.

The MSPEF did not receive any mineral revenues beyond the annual \$10.0 million transfer before May 2011 because, until the MNRTF reached its \$500.0 million cap, the MSPEF was not entitled to this revenue. However, now that the MNRTF reached its cap, all of the funding from these leases is required to be deposited into the MSPEF, until it reaches an \$800.0 million balance. The only exception is that, as with the case when the MNRTF was receiving this funding, any revenue from lands that were purchased by Game and Fish Protection Fund or certain federal funds must be deposited into the Game and Fish Protection Trust Fund and not the MSPEF.

Historical Revenue Information

As mentioned in an earlier section, when the MSPEF was created in 1994, the Fund received a \$40.0 million transfer from the sale of the Accident Fund of Michigan which provided the initial revenue for the permanent investment of the Fund. In each year from 1994 to 2011, the Fund has received a \$10.0 million transfer from the MNRTF, as required by the Constitution. However, because the MNRTF has reached its \$500.0 million cap, the MSPEF will now receive all revenues from the state mineral leases and royalties directly. In addition, the interest and earnings from the accumulated principal balance are deposited into the Fund each year. Figure 3 below provides a sixteen-year history of the annual revenues to the MSPEF.

Figure 3
Michigan State Parks Endowment Fund Revenue
FY 1997 – FY 2012



Data Source: Department of Natural Resources

Figure 3 above highlights both the annual \$10.0 million MNRTF transfer which the MSPEF received through FY 2011 and the Fund's investment and earnings revenues since 1997. Beginning midway through FY 2011, the Fund began receiving the state mineral revenues as well. The mineral revenues for part of the year (June through September) totaled \$18.2 million. Beginning in FY 2012 and each year after, the Fund will receive the full amount of the mineral revenues each year, until it reaches a balance of \$800.0 million.

During the last sixteen years, the MSPEF has received over \$323.3 million in revenues. This is an average of \$20.2 million per year. However, the Constitution authorizes annual expenditures from the Fund of up to one-half of the mineral or MNRTF revenues received in addition to all of the interest and earnings from the Fund. Only the remaining fifty percent of the annual revenue is deposited into the permanent investment balance each year. Because of these annual expenditures, even though the Fund received \$323.3 million in revenues throughout this period of time, the Fund balance at the end of FY 2012 is \$173.2 million.

A detailed breakdown of the MSPEF revenues for FY 2009 through FY 2012 is provided in Table C below. While the investment/interest income of the Fund has been variable over these four years, the MNRTF transfer amount during the first three of these years has been constant at \$10.0 million. The Fund received \$18.2 million state mineral revenues in FY 2011—the first year it began receiving them. The Fund received \$35.5 million of these revenues in FY 2012. This is an increase of \$17.3 million from FY 2011. However, when the loss of the \$10.0 million transfer is taken into consideration, the net increase in mineral revenues is approximately \$7.3 million.

Table C
Michigan State Parks Endowment Fund
Revenue Detail
FY 2009 – FY 2012

<u>Fiscal Year</u>	<u>Investment/ Interest Income</u>	<u>MNRTF Annual Transfer</u>	<u>State Mineral Revenues</u>	<u>Other Miscellaneous Income</u>	<u>TOTAL</u>
2009	\$ 11,608,800	\$ 10,000,000	\$ 0	\$3,700	\$ 21,612,500
2010	13,969,200	10,000,000	0	8,100	23,977,300
2011*	4,890,100	10,000,000	18,183,400	10,000	33,083,500
2012	17,633,300	0	35,451,500	4,400	53,089,200

**2011 Mineral revenues began to be deposited into the MSPEF because the MNRTF reached its \$500.0 million cap in May. In 2012, the MSPEF no longer received the \$10.0 million MNRTF transfer.*

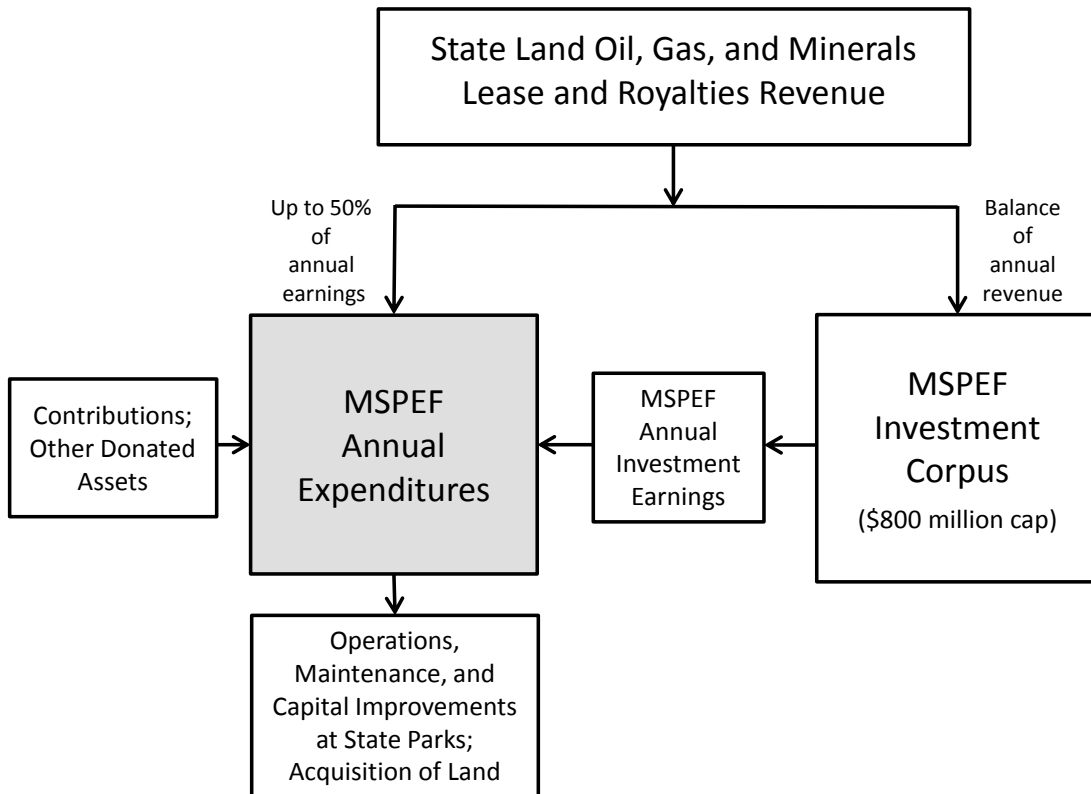
Data Source: Department of Natural Resources

Fund Appropriations

Now that the MNRTF has reached its \$500.0 million principal cap, the State Constitution requires that all these oil, gas, and mineral revenues from state-owned lands be deposited into the MSPEF, until that Fund reaches its \$800.0 million constitutional cap. One-half of the annual mineral revenues must be deposited into the MSPEF investment corpus and up to one-half of these revenues may be appropriated by the Legislature. In addition, all of the interest and earnings on the Fund's investment corpus, as well as any private contributions or other revenue received, may be expended each year.

Figure 4 below illustrates how the revenues to the MSPEF will be distributed until the Fund reaches its \$800.0 million cap.

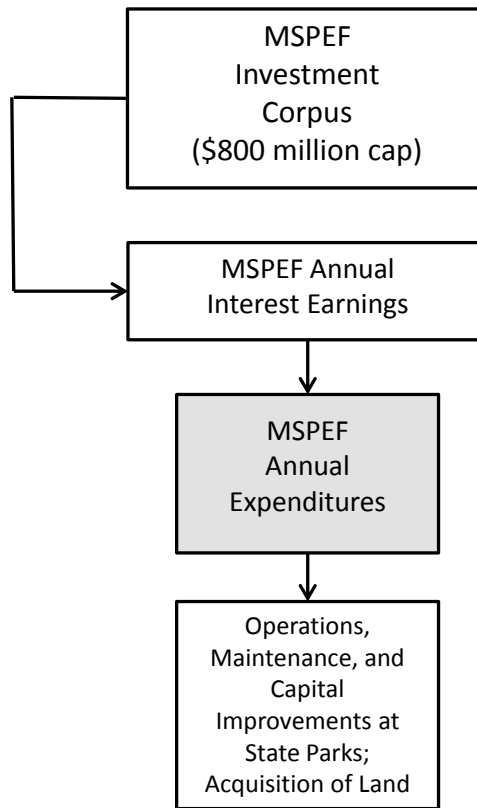
Figure 4
Michigan State Parks Endowment Fund
Revenue Distribution
 (Until fund reaches \$800 million cap)



Once the MSPEF reaches the accumulated principal cap of \$800.0 million, the Constitution requires that this principal cap will be adjusted annually and increased for the rate of inflation. The Constitution also requires that once this cap is reached, then the state mineral revenues will no longer be deposited into the MSPEF and will then be distributed "as provided by law." As previously mentioned, this new distribution has yet to be established in statute by the Legislature.

When the MSPEF cap is reached, only the interest and earnings of the Fund's accumulated principal balance will be available for appropriation each year. Figure 5 illustrates how the MSPEF will be distributed once the Fund reaches its \$800.0 million cap.

Figure 5
Michigan State Parks Endowment Fund
Revenue Distribution
 (After fund reaches \$800 million cap)



The Constitution restricts expenditures from the Fund to those that are for "operations, maintenance, and capital improvements at Michigan state parks and for the acquisition of land or rights in land for Michigan state parks."

The DNR FY 2013 appropriations bill, PA 200 of 2012, authorizes the expenditure of \$27.2 million in FY 2013 from the MSPEF for programs related to the state parks system. This amount is \$1.4 million more than the MSPEF appropriation in FY 2012; however, it is \$15.2 million more than the amount appropriated in FY 2011—the year before the Fund began receiving the state mineral revenues directly. Table D below lists the MSPEF appropriations within the DNR budget over the past five years.

Table D
Michigan State Parks Endowment Fund Appropriations
FY 2009 - FY 2013

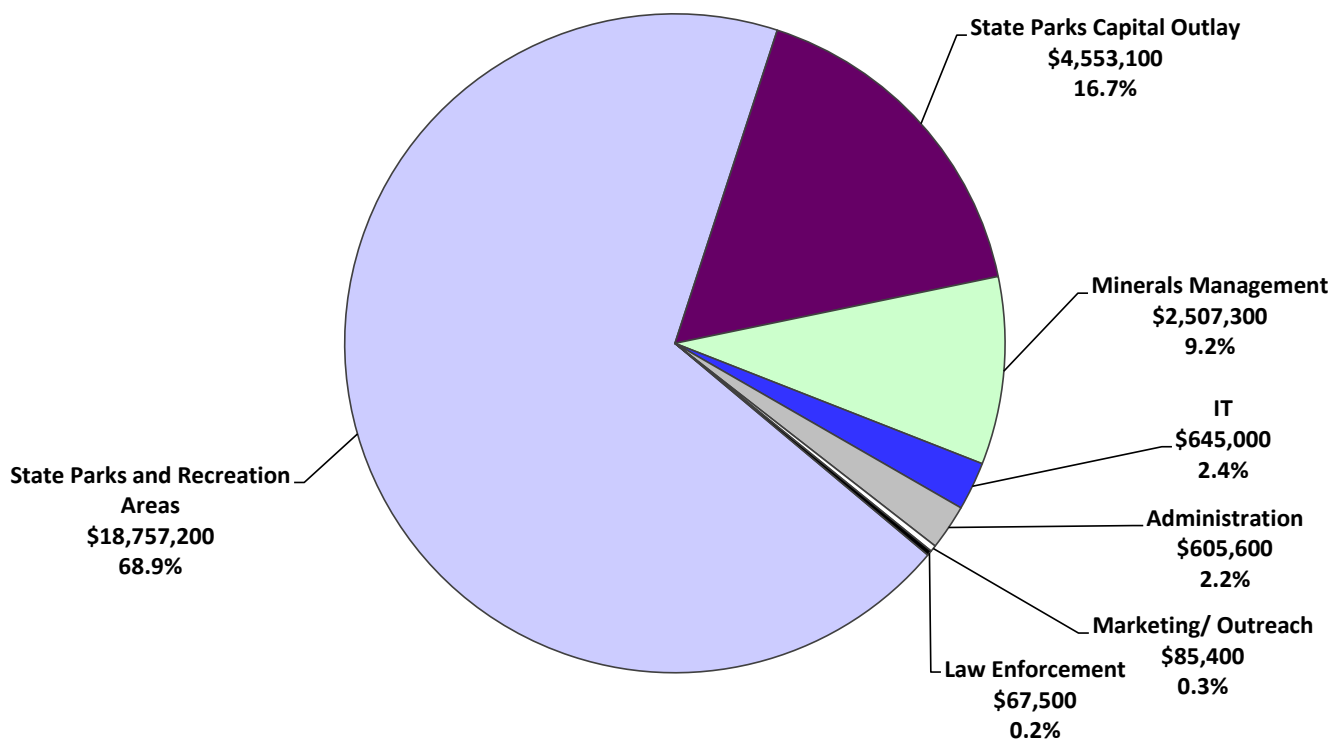
<u>Fiscal Year</u>	<u>Amount Appropriated</u>
2009	13,645,900
2010	16,844,100
2011	12,007,800
2012	25,772,300
2013	27,221,100

Of the \$27.2 million MSPEF appropriated in FY 2013, the largest amount of spending is for the state parks line item, which received \$18.8 million MSPEF funding. The funding within this line item supports the operation and maintenance of all state parks and recreation areas. The state park capital outlay program received \$4.6 million to fund capital improvements in state parks. The remaining \$3.8 million is appropriated for various programs including administration, marketing, information technology, and law enforcement programs, as well as the DNR Mineral Management Division (\$2.5 million) which oversees the mineral leases and auctions.

The total amount of MSPEF expenditures appropriated for FY 2013 in the DNR budget are detailed in Figure 6 below.

Figure 6
Michigan State Parks Endowment Fund
FY 2013 Appropriations

Total = \$27,221,100



**Michigan State Park System
 Capital Outlay Improvement Needs**

The MSPEF may be expended not only for the operations of the state parks, but also for the parks' maintenance and capital improvements. While the Fund is anticipated to receive higher levels of revenue each year now that it is receiving the state mineral revenues, the capital outlay needs of the state parks are anticipated to place additional financial pressure on the Fund.

According to the DNR, state parks currently need substantial reinvestment for renovation, replacement, and improvements to facilities and resources. Because of funding shortfalls during the last decade, a backlog of maintenance, repair, and improvement projects have developed.

As noted in a previous section, the 2002 constitutional amendment provided additional funding to the MSPEF by allowing the interest and earnings of the Fund to be expended each year, instead of just half of the MNRTF transfer. This additional funding was intended for infrastructure repairs and capital investments for park facilities. However, soon afterwards, changes in the program's funding helped necessitate the deferral of many of these projects.

Up until FY 2004, the state parks and recreation areas received General Fund support each year in the DNR budget, but, because of state budgetary shortfalls, all General Fund support was eliminated in FY 2004. Beginning that year, the parks system had to begin to rely upon only motor vehicle permit revenue, camping fees, the annual interest of the Fund, and the MNRTF transfer for funding. In the three years prior to FY 2004, the parks had received General Fund appropriations of \$8.7 million, \$8.8 million, and \$9.0 million, respectively. However, because of the loss of General Fund support, a portion of the newly authorized funding from the MSPEF's annual interest and earnings was needed to replace the lost General Fund funding for general operations and maintenance.

The Parks and Recreation Division of the DNR has compiled a list of 658 projects that are identified as needed capital outlay improvements throughout the State Park System as of Fiscal Year 2012. The total estimated costs of these improvements are projected to be \$341.1 million. A summary of the nine different categories of projects, including the number of projects in each category and the estimated costs of these improvements, can be found in the Appendix of this document.

Within this list, the "building" category contains the highest number of projects and needed funding amount of all categories. There are 165 projects for buildings that have an estimated aggregate cost of \$90.1 million. Among the types of projects listed are new buildings for toilets and showers, registration, concessions, and park headquarters, along with additional camper cabins. The second highest category is the "Major Development" category in which 34 projects are identified at an aggregate estimated cost of \$77.6 million. These types of projects include campground improvements, upgrades, and extensions.

The remaining \$173.4 million of proposed improvements is divided between the final seven project categories which are for habitat restoration, historical structures, operational structures, parking lots and roads, recreational structures, trail improvements, and utilities.

A more recent change in funding for the State Park System comes from the Recreation Passport Program, enacted in 2010, which replaces the motor vehicle entry permits with a \$10 annual recreation passport (PAs 32 - 35 of 2010).² Part of the additional funding this program will raise must be deposited into a different DNR restricted fund, the State Park Improvement Fund, which can be used for maintenance and capital improvements at state parks as well.

Outlook for MSPEF Future Revenues and Expenditures

The MSPEF will continue to receive the state mineral revenues until it reaches the constitutional \$800.0 million cap. Once this amount is achieved, then the Fund will no longer receive any additional state mineral revenues and will only be allowed to make expenditures from the interest and earnings of the Fund each year.

Given that the current fund balance is \$173.2 million and the fact that up to one-half of the mineral revenues may be appropriated every year, it is unlikely that the \$800.0 million cap will be reached in the near future. The amount of state mineral revenues earned each year is dependent upon a variety of factors, such as changing market conditions, supply, demand, and technological advancements; thus, it is not possible to ascertain how much revenue the Fund's principal will receive in each of the coming years. However, an examination of the amount of revenue the MNRTF received in recent years can help estimate possible future revenue trends for the MSPEF.

² Beginning January 1, 2013, the annual Michigan Resident Recreation Passport Fee increases to \$11.00.

As noted in a previous section, in the fifteen year period from FY 1997 to FY 2011, the MNRTF received over \$814.5 million from state oil, gas, and mineral revenues—an average of \$54.3 million per year. If FY 2010 is excluded from this calculation because of its record atypical revenues, the average mineral revenue of the remaining fourteen years would be \$47.0 million. As an example of the possible revenue to MSPEF in the coming years, if an average income of \$47.0 million is assumed each year going forward, then half of that amount (an average of \$23.5 million) would be deposited into the principal investment balance each year, and it would take 26.7 years before the MSPEF reached its \$800.0 million cap. Under current revenue trends, a reasonable estimate of when the MSPEF would reach the \$800.0 million cap would be within the range of approximately 20 to 35 years.

Under this scenario, the MSPEF would, in theory, reach the \$800.0 million balance between FY 2032 and FY 2047. However, because of the many factors that help determine the annual revenue to the MSPEF, it is not possible to estimate with certainty how much revenue the Fund will actually receive in each of the years ahead and, thus, when the cap will be reached.

Once this cap is achieved, the Fund will only make expenditures from the interest and earnings of the principal balance each year afterwards. Assuming a 5.0% interest rate, the amount of these annual expenditures would be approximately \$40.0 million each year.

* * *

NOTE: This report was written by Viola Bay Wild, Senior Fiscal Analyst. Kathryn Bateson, Administrative Assistant, prepared the report for publication.

Appendix
State Park Capital Outlay Improvement Projects Identified by the DNR
(Through Fiscal Year 2012)

<u>Project Categories</u>	<u>Examples of Types of Projects Included</u>	<u>Number of Projects</u>	<u>Estimate of Probable Cost</u>
Buildings	Toilet/Shower, Registration, Concession and Park Headquarters Buildings; Camper Cabins	165	\$ 90,135,500
Habitat Restoration	Vegetation Control; Shoreline Stabilization; Erosion Control; ORV Damage Restoration	15	4,080,000
Historical Structures	Roof Replacements; Restroom upgrades; Building Renovations and Restorations	39	14,000,000
Major Development	Campground Improvements, Upgrades, and Extensions; Building Replacement	34	77,560,000
Operational Structures	Bridges; Fishing Piers; Sidewalks; Decks; Dam Repairs; Sea and Sand Walls	47	10,020,000
Parking Lot/Road	Resurfacing, Chip Seal, Reconstruction, and Paving Campgrounds, Roads, and Parking Lots	70	36,470,000
Recreational Structures	Universally Accessible Playgrounds; Shelters; Viewing Areas; Cabins; Yurts	133	46,043,500
Trail Improvements	Develop, Expand, Resurface, Connect, and Pave Trails; Signage; Trailhead Parking; Yurts	61	22,057,000
Utilities	Replace/Upgrade Campground Electrical Water, and Sewer; Sanitation Stations	94	40,690,000
Total		658	\$341,056,000

Note: HFA Summary of DNR Information



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