



A REPORT  
TO THE  
MONTANA  
LEGISLATURE

PERFORMANCE AUDIT

# *Management of Montana's State Parks System*

*Department of Fish, Wildlife & Parks*

APRIL 2018

LEGISLATIVE AUDIT  
DIVISION

17P-01

**LEGISLATIVE AUDIT  
COMMITTEE**

**REPRESENTATIVES**

KIM ABBOTT

[Rep.Kim.Abbott@mt.gov](mailto:Rep.Kim.Abbott@mt.gov)

DAN BARTEL

[Danbartel2@gmail.com](mailto:Danbartel2@gmail.com)

RANDY BRODEHL

[Randybrodehl57@gmail.com](mailto:Randybrodehl57@gmail.com)

TOM BURNETT, VICE CHAIR

[Burnett.tom@gmail.com](mailto:Burnett.tom@gmail.com)

VIRGINIA COURT

[virginacourt@yahoo.com](mailto:virginacourt@yahoo.com)

DENISE HAYMAN

[Rep.Denise.Hayman@mt.gov](mailto:Rep.Denise.Hayman@mt.gov)

**SENATORS**

DEE BROWN

[senatordee@yahoo.com](mailto:senatordee@yahoo.com)

TERRY GAUTHIER

[Mrmac570@me.com](mailto:Mrmac570@me.com)

BOB KEENAN

[Sen.Bob.Keenan@mt.gov](mailto:Sen.Bob.Keenan@mt.gov)

MARGARET MACDONALD

[Sen.Margie.MacDonald@mt.gov](mailto:Sen.Margie.MacDonald@mt.gov)

MARY McNALLY, CHAIR

[McNally4MTLeg@gmail.com](mailto:McNally4MTLeg@gmail.com)

GENE VUCKOVICH

[Sen.Gene.Vuckovich@mt.gov](mailto:Sen.Gene.Vuckovich@mt.gov)

MEMBERS SERVE UNTIL A  
MEMBER'S LEGISLATIVE TERM  
OF OFFICE ENDS OR UNTIL A  
SUCCESSOR IS APPOINTED,  
WHICHEVER OCCURS FIRST.

§5-13-202(2), MCA

FRAUD HOTLINE  
(STATEWIDE)

1-800-222-4446

(IN HELENA)

444-4446

[ladhotline@mt.gov](mailto:ladhotline@mt.gov)

**PERFORMANCE AUDITS**

Performance audits conducted by the Legislative Audit Division are designed to assess state government operations. From the audit work, a determination is made as to whether agencies and programs are accomplishing their purposes, and whether they can do so with greater efficiency and economy.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Members of the performance audit staff hold degrees in disciplines appropriate to the audit process.

Performance audits are conducted at the request of the Legislative Audit Committee which is a bicameral and bipartisan standing committee of the Montana Legislature. The committee consists of six members of the Senate and six members of the House of Representatives.

---

**AUDIT STAFF**

---

JOHN HARRINGTON  
WILLIAM SOLLER

KYLE HARTSE

---

Reports can be found in electronic format at:  
<http://leg.mt.gov/audit>

# LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor  
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors  
Cindy Jorgenson  
Joe Murray

April 2018

The Legislative Audit Committee  
of the Montana State Legislature:

This is our performance audit of Management of Montana's State Parks System, within the Department of Fish, Wildlife & Parks.

This report provides the Legislature information about the management and governance of Montana State Parks. This report includes recommendations for clarifying governance responsibilities; improving organizational culture within FWP; improving resource allocation and capital improvement planning; developing, maintaining, and using management information to better manage state parks; and increasing budget oversight of the Parks Division. Written responses from the Department of Fish, Wildlife & Parks and the Montana State Parks and Recreation Board are included at the end of the report.

We wish to express our appreciation to the Department of Fish, Wildlife & Parks personnel for their cooperation and assistance during the audit.

Respectfully submitted,

*/s/ Angus Maciver*

Angus Maciver  
Legislative Auditor



## TABLE OF CONTENTS

Figures and Tables.....	iii
Appointed and Administrative Officials .....	iv
Report Summary .....	S-1
<b>CHAPTER I – INTRODUCTION AND BACKGROUND .....</b>	<b>1</b>
Introduction .....	1
Background.....	1
Parks Funding From Four Main Sources .....	2
Audit Scope.....	4
Governance and Culture .....	5
Parks Resource Allocation .....	5
Audit Objectives and Methodologies .....	5
Issue for Further Study.....	7
Report Contents.....	7
<b>CHAPTER II – GOVERNANCE AND CULTURE OF MONTANA STATE PARKS.....</b>	<b>9</b>
Introduction.....	9
State Parks and Recreation Board Created in 2013.....	9
Statutory Clarification of the Board’s Role and Responsibilities .....	10
Fish and Wildlife Commission Duties More Explicit .....	12
Other States Report Few Oversight Issues .....	12
Board Statute Lacking Specificity .....	13
The Evolving Structure of FWP .....	13
Several Organizational Changes Widened the Gulf Between Parks and the Department .....	14
Past Legislative Interest in Realigning Parks .....	17
Parks Are Often Aligned With Natural Resource Agencies .....	18
Despite Multiple Efforts to Move, Parks Remains Part of FWP.....	18
Parks Fund Balance Not Expended as Appropriated.....	19
Department Management Overlooked Growing Fund Balance .....	21
Fund Balance Brought Bad Publicity and Negative Consequences to Parks.....	21
Steps Needed to Strengthen Financial Management.....	22
<b>CHAPTER III – PARK MANAGEMENT AND RESOURCE ALLOCATION .....</b>	<b>23</b>
Introduction.....	23
The Current State of Parks.....	23
The Visiting Public Is Happy With State Parks .....	25
The Division Has Taken Steps Toward Resource Prioritization.....	26
Active But Inconsistent Maintenance Strategies.....	28
Other States More Regularly Assess Maintenance Priorities .....	28
Parks Has Not Fully Developed a System-Wide Strategy for Resource Allocation .....	29
Parks Division Could Better Collect and Employ Management Information.....	30
Management Information System Not Employed on Schedule .....	30
State Parks Property Acquisition and Transfer .....	32
Policy Addresses Need for Ongoing Funding .....	32
Recent Acquisitions Do Not Show Evidence of Thorough Consideration of Ongoing Funding Needs.....	33
Other States Vary in Approach to Acquisitions and Transfers .....	34

Transfers in Montana are Rare, But Not Unprecedented..... 35  
Policy Inconsistent in Addressing How and When to Reduce Number of Parks..... 35  
Transfer of Parks Could Be a Valuable Management Tool..... 36

**DEPARTMENT RESPONSES**

Department of Fish, Wildlife & Parks..... A-1  
Montana State Parks and Recreation Board..... A-7

## FIGURES AND TABLES

### Figures

Figure 1	Montana State Parks and Administrative Regions .....	2
Figure 2	Montana State Parks Budget vs. Other States' .....	3
Figure 3	Montana State Parks' Funding Sources vs. Other States' .....	4
Figure 4	Montana State Parks and Recreation Board Votes .....	11
Figure 5	FWP Montana State Parks Web Presence.....	15
Figure 6	Administrative Boundaries for Fisheries, Wildlife, and Parks .....	17
Figure 7	Frenchtown Pond State Park .....	24
Figure 8	Overall Visitor Ratings of Montana State Parks.....	25

### Tables

Table 1	Parks Division Unspent Budget Authority and Estimated Working Capital and Cash Balance.....	20
Table 2	Montana State Parks' Resource Allocation Classifications (Region) .....	27

## APPOINTED AND ADMINISTRATIVE OFFICIALS

			Term Expires
<b>Montana State Parks &amp; Recreation Board</b>	Angie Grove, Chair	Helena	2021
	Scott Brown	Billings	2019
	Mary Sheehy Moe	Great Falls	2019
	Jeff Welch	Livingston	2021
	Betty Stone	Glasgow	2021
<b>Department of Fish, Wildlife &amp; Parks</b>	Martha Williams, Director		
	Beth Shumate, Administrator, Parks Division		
	Tom Reilly, Assistant Administrator, Parks Division		



# MONTANA LEGISLATIVE AUDIT DIVISION

## PERFORMANCE AUDIT

### Management of Montana's State Parks System

Department of Fish, Wildlife & Parks

APRIL 2018

17P-01

REPORT SUMMARY

Over the past decade, the Parks Division became increasingly isolated from the rest of FWP, which led to a cultural divide as well as a lack of financial oversight of the division. This contributed to the division amassing an \$11 million fund balance that could have been used to help maintain the division's 55 state parks. Additionally, state law does not clearly delineate the role in state parks activities of the State Parks and Recreation Board. The division also can improve how it allocates resources for capital improvements and day-to-day operations and maintenance at its 55 state parks.

#### Context

The Parks Division (division) of the Department of Fish, Wildlife & Parks (FWP) manages 55 state parks across Montana. Certain aspects of governance of the division are the responsibility of the State Parks and Recreation Board (board), which was formed in 2013. Audit work found the statute governing the board is vague, thus there is a lack of clarity regarding the roles and responsibilities of the board and the division. We also identified a number of internal changes within FWP over the past decade intended to promote autonomy for the Parks Division that instead isolated the division from the rest of the agency, both organizationally and culturally.

As part of our audit work, we visited 19 state parks and met with all five regional parks managers. While we found Montana's state parks are generally in good condition and receive high marks in visitor surveys, the division does not fully collect and use management information to prioritize the allocation of resources for capital projects and operational and maintenance needs across the parks system. The division identified a backlog of \$22 million in maintenance needs, but has not tracked progress in addressing these needs. The division spent \$97,000 on a software

system to help with this effort, but to date the system has not been put to use in the field or in the Helena headquarters office.

Historically, the division has not planned for the ongoing operational and maintenance needs of new parks when considering whether to add parks to its inventory. Similarly, the division has not undertaken a system-wide analysis of its ability to operate and maintain its existing portfolio of parks given current resource levels. A policy to address land acquisitions and disposals is inconsistent in how it spells out conditions for and the intent to transfer state parks.

Finally, we determined that a lack of management oversight resulted in an \$11 million fund balance that was beyond what was acceptable to agency management and to the legislature. The division was not spending all funds that had been appropriated for capital improvements as well as routine operations and maintenance. This resulted in negative publicity for the department, both among the public and lawmakers, as well as a diversion of several million dollars in parks funding to other uses outside of FWP.

*(continued on back)*

## Results

Our report resulted in six recommendations to the agency. Our recommendations were in the following areas:

- ◆ Clarifying the duties and responsibilities of the State Parks and Recreation Board.
- ◆ Improving the culture of FWP and the relationship between the division and the rest of the agency.
- ◆ Developing a broad state-wide plan for the allocation of resources for capital projects as well as regular parks maintenance.
- ◆ Making use of management information to make better decisions on that allocation.
- ◆ Making internal changes and providing better oversight of division budgets.
- ◆ Strengthening policy to more actively assess the potential need to transfer state parks.

The agency and the board agreed with all of our recommendations.

Recommendation Concurrence	
Concur	6
Partially Concur	0
Do Not Concur	0
<b>Source: Agency audit response included in final report.</b>	

For a complete copy of the report (17P-01) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>  
 Report Fraud, Waste, and Abuse to the Legislative Auditor's FRAUD HOTLINE  
 Call toll-free 1-800-222-4446, or e-mail [lad@mt.gov](mailto:lad@mt.gov).

# Chapter I – Introduction and Background

## **Introduction**

Montana State Parks are managed by the Parks Division (division) of the Department of Fish, Wildlife & Parks (FWP). Section 23-1-101, MCA, charges the department and the State Parks and Recreation Board (board) with “conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, providing for their use and enjoyment, and contributing to the cultural, recreational, and economic life of the people and their health.”

The division currently oversees 55 state parks that offer a variety of recreational and educational opportunities across the state, from traditional outdoor pursuits like boating, camping, and hiking to activities less commonly associated with parks like historic preservation and interpretation. Some parks provide substantial visitor amenities and employ on-site managers, and some properties are small and undeveloped and are not staffed at all.

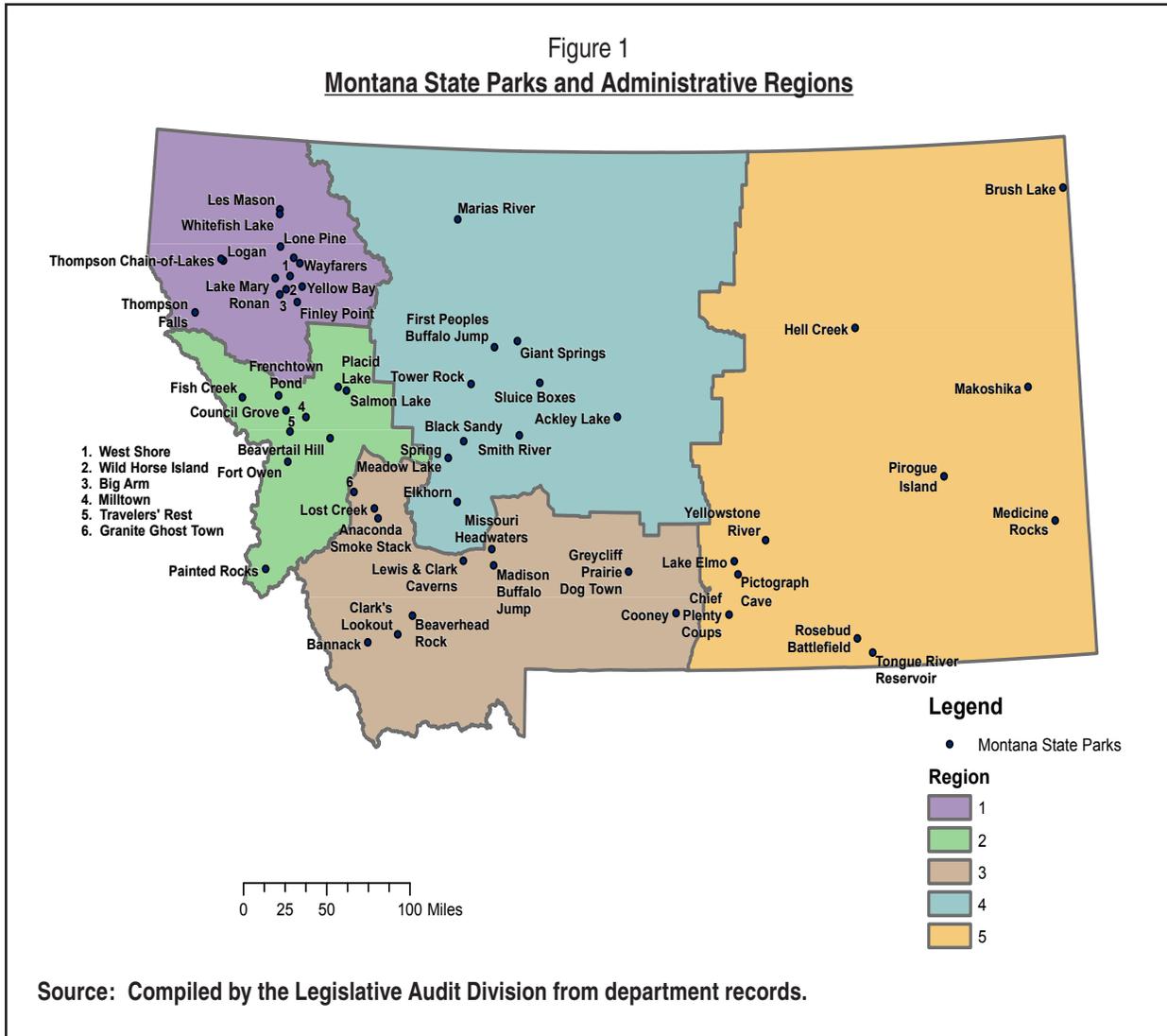
Based on ongoing legislative interest in the management of state parks, including questions about a significant fund balance in the Parks Division as well as questions about how parks fits under the broader FWP umbrella, the Legislative Audit Committee prioritized a performance audit of Montana State Parks.

## **Background**

The Parks Division has approximately 83 FTE, including 14 in Helena. The Helena staff includes the division administrator and assistant administrator, chief of operations, marketing and communications, and leadership of various parks division programs, including grant management and heritage resource management.

The division is administratively divided into five regions across the state, with regional park managers in Kalispell, Missoula, Great Falls, Bozeman, and Billings. The parks are geographically more concentrated in the western half of the state, although Makoshika State Park, outside of Glendive, is one of the system’s most popular and high-profile destinations.

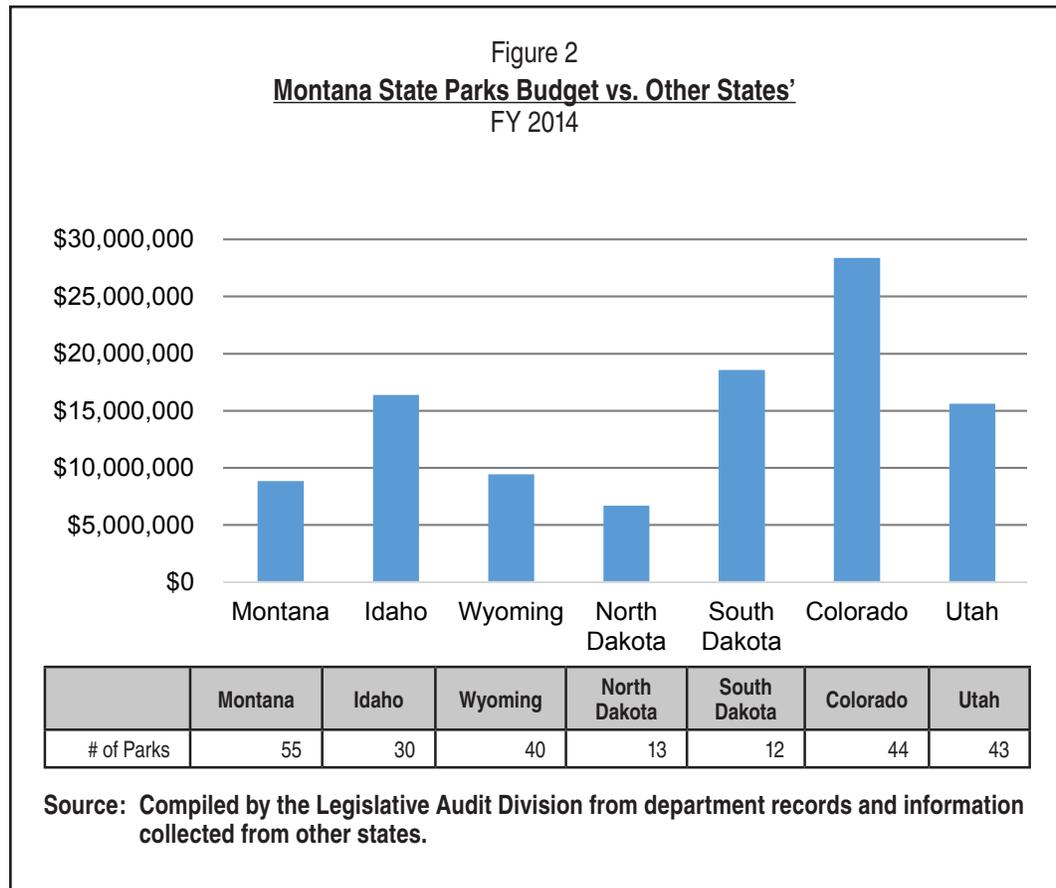
The map in Figure 1 (see page 2) illustrates the location of all 55 state parks within the Parks Division’s five administrative regions around Montana.



### Parks Funding From Four Main Sources

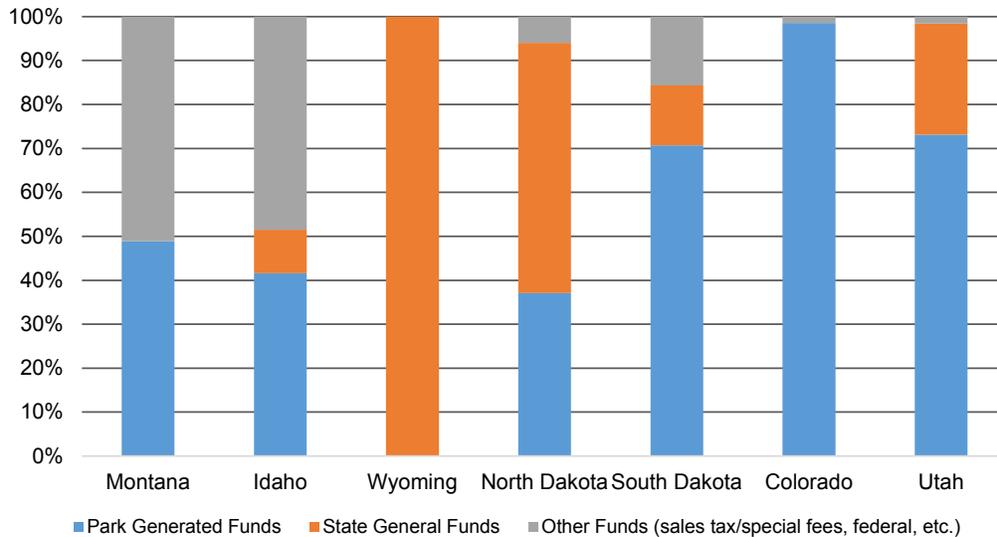
The division has an annual operating budget of a little over \$9 million. Montana is one of nine states in which state parks are not supported with state general fund dollars. Parks are funded primarily through four sources: a portion of the accommodations (bed) tax; a share of interest from the Coal Severance Tax Trust Fund; the motorboat fuel tax; and the Parks Miscellaneous Fund, which collects the opt-out fee on light vehicle registrations as well as money earned from camping and other on-site parks activities. Of the \$6 light vehicle registration fee, \$5.38 goes to parks. Department officials told us that around 80 percent of Montanans pay the fee when registering their light vehicles.

The following figure illustrates the annual budget for Montana’s park system as well as those of several states surrounding Montana in Fiscal Year 2014, the most recent year from which complete information was available from all states surveyed. The table also indicates the number of parks in each state’s system. As is shown, Montana has a small budget but a large number of parks, compared to other regional states.



As Figure 3 (see page 4) illustrates, there is no “typical” funding model for state park systems in the region. States employ a variety of funding models to support their state parks, with some relying heavily on general fund support while others receive little or no funding from the state’s general fund. Again, the data shown is from fiscal year 2014.

Figure 3  
**Montana State Parks' Funding Sources vs. Other States'**  
 FY 2014



Source: Compiled by the Legislative Audit Division and from information collected from other states.

## **Audit Scope**

Given the relative newness and some uncertainty surrounding the exact role of the State Parks and Recreation Board, this aspect of the governance of state parks was included in the audit scope. Other areas of interest included the division's management structure and prioritization policies, and its funding sources, particularly as they relate to the number of parks for which the division is responsible. Generally, audit work addressed two main areas. The first was governance, which also included a review of a number of organizational changes at the department as well as the culture at FWP. The second area we addressed was management of resource allocation and the prioritization for these resources. Work was conducted in Helena at the Parks Division main office as well as at regional parks offices and a sample of parks of varying size and visitation around the state. The time period under review was largely from the inception of the State Parks and Recreation Board (2013) to the present, although for acquisition of new parks and for organizational changes within the department our review stretched back a decade. The following paragraphs provide additional detail on each of our primary scope areas.

## **Governance and Culture**

We addressed the authority of the State Parks and Recreation Board. In particular, we examined the different roles and responsibilities of the division and the board as defined by statute, and whether these roles are being carried out correctly or not. We also examined concerns regarding the relationship between the division and the broader department, and the general organizational culture at FWP, including the effects of several structural and organizational changes to the department over the past decade.

## **Parks Resource Allocation**

We also addressed the allocation of resources at Montana State Parks. In particular, we examined if the management and organizational changes within the division and FWP allow for the effective operation of state parks. There have been legislative concerns in this area, and assessment work indicated a lack of formal process for resource allocation. As part of our work, we examined how general maintenance of state parks is prioritized; how management information is collected and used; how parks are acquired or disposed of; whether state parks can be operated on lands not owned by the state, and how law enforcement duties are handled at state parks. We also assessed the budget and funding sources for Montana State Parks to determine the origins of the fund balance that surpassed \$11 million in late 2016, which has attracted much legislative and public interest since it was first publicized.

## **Audit Objectives and Methodologies**

To address the risks we identified during assessment work, we developed the following two objectives to examine how state parks are managed and governed:

**Objective 1:** Does the governance structure for state parks provide for effective oversight of state parks, including a clear division of responsibilities between the department and the State Parks and Recreation Board?

**Objective 2:** Does the department have a process in place to identify opportunities for and prioritize the allocation and resources for maintenance and operations and capital projects at state parks, as well as plans for maintaining and improving newly acquired parks?

To address these objectives, we performed the following methodologies:

- ◆ Reviewed statute and administrative rules governing the Parks Division and Parks and Recreation Board to understand how authority between FWP and the board is delineated.

- ◆ Reviewed State Parks and Recreation Board meeting agendas, minutes, and, when possible, recordings of all meetings dating back to the board's creation in 2013.
- ◆ Interviewed members of the board and division staff as well as department staff to gain perspectives on the role of the board and its effectiveness.
- ◆ Reviewed the 2015-2020 Montana State Parks and Recreation Strategic Plan, identified specific goals as indicated by the board, and measured which goals had been met at the halfway point of the plan's duration.
- ◆ Interviewed parks officials in other states to gauge best practices, how their park systems are governed, and how they deal with overall management and administration of the state park system.
- ◆ Examined, through interviews and file review, the culture both within the division and between the Parks Division and FWP as a whole.
- ◆ Researched statute and administrative rules for guidance on how the division prioritizes maintenance and operations and capital projects at existing parks.
- ◆ Determined what management information systems are in place at FWP regarding state parks, when and how such systems were acquired, and whether or not their capacity is fully used.
- ◆ Interviewed division and FWP leadership to assess the division's utilization of certain centralized services and functions available to the entire department, including activities like marketing, law enforcement, and Web site presence.
- ◆ Interviewed division leadership and FWP management and reviewed documentation regarding the division's recent \$11 million fund balance.
- ◆ Examined FWP customer feedback surveys submitted by parks users in 2016 and 2017. We discussed the survey process and results with staff to learn how this information is used by the division to guide its resource allocation.
- ◆ Visited a judgmental sample of 19 parks across Montana for visual inspection and comparison to the maintenance criteria spelled out in statute.
- ◆ Interviewed all five regional park managers as well as select managers of individual parks.
- ◆ Reviewed policies related to the acquisition of new park lands, with particular attention on planning prior to acquisition for the development and ongoing operations and maintenance of the new parks. We reviewed files for six recent parks acquisitions for evidence of the department's commitment to ongoing operations and maintenance funding.
- ◆ Determined what criteria exists for transferring state parks and reviewed records of acquisitions and transfers of real property.
- ◆ Reviewed records of past capital project priority rankings and funding requests, and determined which projects were eventually included in governor's budgets, and what funding sources were proposed.

## Issue for Further Study

Our work with Montana State Parks and other divisions at FWP raised issues in another division of FWP in which further audit work may be warranted in the future.

We identified dissatisfaction with the current relationship between the Parks Division and the Law Enforcement Division, although there was disagreement about how to improve this aspect of public safety. Beyond simply providing enforcement service in parks, we heard questions about whether the current organizational structure of the Law Enforcement Division is appropriate. We also heard questions related to the current funding model and funding sources for Law Enforcement and potential limitations this places on law enforcement activities.

## Report Contents

The remainder of this report contains two additional chapters.

- ♦ **Chapter II** addresses the governance authority of Montana State Parks, including the role of the State Parks and Recreation Board. This chapter also includes a recent history of organizational and cultural changes within FWP and the effect of these changes on the Parks Division, as well as subsequent impact on the division's finances.
- ♦ **Chapter III** addresses questions about how the department manages and allocates resources for state parks, as well as the extent to which any management information systems are used to help allocate resources. The chapter also looks at how the Parks Division plans for ongoing operational and maintenance needs at new park lands. This chapter also discusses whether a more system-wide view of resource availability is necessary to determine if park lands should be transferred to other ownership or management.



## Chapter II – Governance and Culture of Montana State Parks

### **Introduction**

As part of our first objective, we examined the statutory role of the State Parks and Recreation Board (board) and the division of authority between the board and the Department of Fish, Wildlife & Parks (department). We then reviewed several organizational changes within FWP over the past decade and the effect those changes had on the culture within the department as it related to the Parks Division (division). Finally, we examined the causes and effects of a significant division fund balance that continued to grow over several years.

This chapter discusses our findings related to the current governance of state parks and makes a recommendation to clarify the responsibilities of the board and the department. We also discuss organizational and cultural changes that have taken place within the department over the past decade, and make two recommendations related to organizational culture and oversight of division budget activity.

### **State Parks and Recreation Board Created in 2013**

The Montana State Park Commission was established in 1939. Lewis and Clark Caverns near Three Forks was Montana's first state park, and remains one of the flagships of the system. State parks were under the control of this commission until 1953, when related powers and responsibilities for parks were transferred to the State Highway Commission. In 1965, the Fish and Game Department (renamed the Department of Fish, Wildlife & Parks in 1979) was assigned responsibility for the state parks system and its operation and maintenance. State parks have been part of this department for 53 years.

For much of its time under the FWP umbrella, the work of the Parks Division was overseen by the Fish, Wildlife & Parks Commission. In 2013, the Legislature passed House Bill 24, which removed the responsibility for parks from the commission and created the State Parks and Recreation Board, which today oversees certain activities of the division. This five-member board (one member from each of five districts in the state) is appointed by the governor. Its statutory duties (§23-1-111, MCA) include:

- ◆ Setting policies and providing direction to the department for the management, protection, conservation, and preservation of state park lands and waters.
- ◆ Coordinating, integrating, promoting, and furthering opportunities for education and recreation at these sites.

- ◆ Maintaining hunting and fishing opportunities at state parks.
- ◆ Establishing the rules of the department governing the use of state parks.
- ◆ Reviewing and approving all acquisitions or transfers of interest in state parks.
- ◆ Reviewing and approving the budget of the department for the administration of state parks prior to transmittal to the governor's budget office.
- ◆ Reviewing and approving construction projects costing more than \$5,000, and other duties.

The creation of the board was intended to provide a higher profile for state parks and a dedicated citizen oversight presence for the division. However, our audit work identified confusion over the role and authority of the board, including who bears responsibility for approving various recreational grants, whether the board has a role in approving fees set for parks activities, and who ultimately sets policy for the division.

### **Statutory Clarification of the Board's Role and Responsibilities**

During assessment work we identified concerns that the board may be over-stepping its authority in certain areas, or that its authority was ill-defined or perhaps overlapped with the role of the department, so it was in these areas that we focused our work. We also heard concerns that the \$5,000 threshold for board approval of construction projects is unnecessarily low and may slow the completion of routine construction work.

Our work on the governance objective included interviews with department staff and with board members. We also conducted a full review of meeting agendas, minutes, and recordings (when available) for every meeting of the board since its formation in 2013. In reviewing board meetings we tracked every vote taken by the board, then tried to determine whether the vote was on a matter within the board's statutory authority.

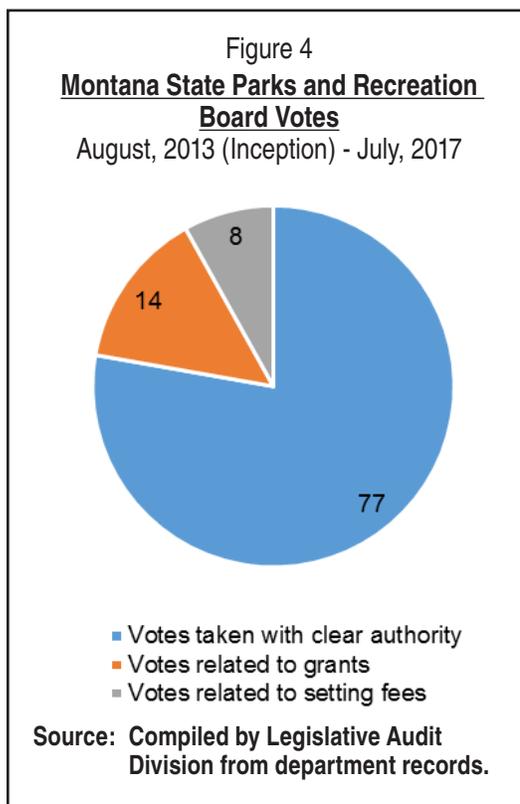
We determined the board does not have authority to approve grants. The division is in charge of administering a number of recreation-related grant programs, including programs for recreational trails, off-highway vehicles, snowmobiles, accessible playgrounds, and Land and Water Conservation Fund awards. There already exists a governor-appointed advisory body that approves recreation grants. We further determined that the approving of certain fees charged at state parks (for camping and other services) are the purview of the department and do not need board approval.

Nowhere in §23-1-111, MCA, or the rest of Title 23 does it specifically state the board may approve grants. While this section of code addresses the board’s role in “coordinating, integrating, promoting, and furthering” certain activities at state parks, it does not speak to the dispensing of grant funds to external organizations for these pursuits. Based on these interviews and our reading of statute, we determined the board is overstepping its powers regarding the approval of grants.

Staff also believed the board does not have the authority to approve fees established by the department for camping and other parks-related activities. In our review we noted that §23-1-105, MCA, gives the department the power to “levy and collect reasonable fees or other charges for the use of privileges and conveniences that may be provided.” Nothing in this statute indicates the fees are to be approved by the board.

Our review of board meetings found that the board has routinely voted on these two items we determined to be outside of its authority. Figure 4 illustrates how many action items the board voted on since the board’s creation in 2013. As the figure indicates, more than 20 percent of the board’s votes were in areas where there are questions as to whether the board in fact has authority to be making those votes. This figure does not include votes on approving board meeting minutes or board meeting expenses, neither of which are in question.

In addition to grant approvals and fee setting, our review of the board’s powers also found some overlap in duties granted to the department in §23-1-106, MCA, and duties granted to the board in §23-1-111, MCA, regarding which entity has authority to make rules for the governance of parks. In practice, the department has been proposing rules and the board has been approving rules. There is also authority for the board spelled out in §23-1-102(c), MCA, that is not included in §23-1-111, MCA—specifically, the ability to enter into contracts with concessionaires. Board duties are not limited to one section of statute.



## **Fish and Wildlife Commission Duties More Explicit**

A recurring theme in our examination of the board statute was the inherent broadness of the statute, especially compared to the Montana Fish and Wildlife Commission (commission) statute (§87-1-301, MCA). The commission statute is much more detailed and prescriptive than the board's statute, and general powers of the commission are defined in much greater detail. Some examples of duties include establishing the hunting, fishing, and trapping rules of the department; approving acquisitions of land or water; managing elk, deer, and antelope populations; and establishing special licenses to promote hunting by Montana's youth and persons with disabilities; among many other duties.

The commission also has more action items to vote on at its meetings than the Parks and Recreation Board, possibly owing to its more defined powers and duties. According to department management, agendas of the board often do not have enough action items to justify calling a meeting with members traveling from around the state. They stated that the grant awards were added to board agendas in part so the board would have more to do.

We found statutory ambiguity regarding the role of the Montana State Parks and Recreation Board. Department and division leadership have expressed uncertainty over the role of the board and its authority versus the department's regarding certain activities of the division. This lack of certainty of the board's role results in less efficient parks operations and heightens future risk of disagreement between the board and the department.

## **Other States Report Few Oversight Issues**

Of the other states sampled and other state officials interviewed, Montana is the only state with a parks and recreation oversight body which does not also oversee wildlife or other issues. Other states' officials indicated their parks and recreation oversight bodies generally function well in practice, and none indicated problems with statutory vagueness. Colorado merged its previous parks and recreation oversight board with its wildlife commission in 2011, when its parks and wildlife divisions merged together. Wyoming's commission operates in an advisory capacity with no legal authority, but it is consulted in many areas. North Dakota has no parks oversight body.

Montana's approach to governance of its state parks is obviously different from those in surrounding states, but this can be at least partly explained by an innovative legislative approach to state-specific concerns or issues. It should also be noted that the dual governance model adopted here is consistent with historical practice (oversight of state

parks in Montana was provided by a separate governance entity for the first 14 years of the parks system's existence).

## **Board Statute Lacking Specificity**

The State Parks and Recreation Board was created due to concerns regarding how much time the original FWP Commission could dedicate to state parks issues. In 2013, the Legislature created the board to oversee state parks activities, in place of the FWP Commission. The intent was to dedicate more time for public discussion of state parks and recreation issues. The Parks and Recreation Board is a relatively new entity with broad, undefined, and unclear statutory basis and direction. Statute that is too broad and lacking in specifics can lead to confusion and lead to challenges in authority. Taking action items to the board that are not within the board's statutory bailiwick can also slow the work of the department, which could find itself awaiting unnecessary board approval rather than moving ahead with the work of managing state parks.

---

### ***RECOMMENDATION #1***

*We recommend the Department of Fish, Wildlife, & Parks work in consultation with the State Parks and Recreation Board to clarify and document the role, duties, and powers of the State Parks and Recreation Board to ensure a clear delineation of authority between the board and the department, seeking legislation if necessary to better define the board's authority.*

---

## **The Evolving Structure of FWP**

As part of our work on our governance objective, we also examined the organizational structure of FWP as it relates to the Parks Division and park lands, as well as the prevailing culture at the department. This included how the Parks Division fits with the mission and goals of the department.

The division is in many ways integrated with the rest of the department. Along with other FWP divisions, the division shares certain centralized functions like human resources, enforcement, and accounting. More broadly, several parks themselves are tied to FWP. This is because a number of properties that are today classified as state parks were acquired in part or wholly with sportsmen's license dollars, which legally binds these lands to the oversight of the state wildlife department, of which parks is an integral part.

We learned that over the years, division leadership has occasionally felt overlooked and under-supported in an department that deals with many high-profile outdoors-related issues. We further learned that over time, division officials became increasingly isolated within the department, creating a culture of mistrust between the division and department management. This section discusses this issue in more detail.

### **Several Organizational Changes Widened the Gulf Between Parks and the Department**

Over the past decade, a number of steps, both organizationally and less formally, were taken that had the cumulative effect of distancing the Parks Division from the rest of the department. We examined these moves and determined the effect they had on Parks' place in FWP.

In studying these steps and the results thereof, we also explored less tangible but related topics like the morale of the division staff, and the broader culture and attitude toward Parks at FWP. We also examined the oft-heard sentiment that state parks are generally overshadowed and underserved by being part of a department that is focused primarily on fish and wildlife issues and only secondarily on parks and outdoor recreation.

We found little hard evidence within department records, files, and decisions that division leadership was incrementally severing ties with the rest of the department in a concerted or sustained effort to pave the way for the division to leave FWP. However, this theory was widespread and broadly aired in interviews across FWP: Several staff members indicated that division leadership spent much of the last decade laying the groundwork to leave FWP and either become a stand-alone entity or become part of another executive branch department. Several bills in the last four legislative sessions also suggested significant legislative interest in restructuring parks to either have more autonomy within the department or to relocate outside of FWP.

Among the organizational changes that have affected the division's standing and role within the department in the past decade:

- ♦ **Fishing access sites:** Management of the state's 332 fishing access sites was moved from the Parks Division to the Fisheries Division in 2011. We heard divided sentiments on this change. In some interviews we were told that fishing access site management is about managing people and the recreation experience and not expressly for managing fish populations. Thus, many staff believe the sites should be within the Parks Division, which has recreation management as a core function. These proponents further noted that a growing number (half or more) of fishing access site visitors are not anglers, but rather are recreational floaters, campers, or other users. Others told us that prior to the change, the maintenance demands for hundreds of fishing

access sites overwhelmed the Parks Division and took needed attention away from parks.

- ◆ **Organizational structure:** In 2009, the department was reorganized to have three major divisions, including Management and Finance; Parks; and Fish and Wildlife. According to department staff, this elevation of Parks to be a co-equal with a combined Fish and Wildlife division caused strife within the rest of the department, as FWP staff believed Parks was being favored beyond its size and importance relative to the rest of the department.
- ◆ **Another reorganization:** In 2013 the department was re-organized again, largely reverting back to the structure that was in place prior to the 2009 reorganization referenced above, with separate and equivalent divisions for Fish, Wildlife, and Parks.
- ◆ **Communications and Web presence:** In 2012, Parks became responsible for its own public relations and Web site maintenance, independent of the Communication Education Bureau, which had traditionally handled these functions for the entire department. As a result of this move, Parks no longer had a presence in Montana Outdoors, the official publication of FWP.

Also, as the following figure illustrates, the Parks Division Web site is separate and distinct from the Web site of the rest of the department, with no link to the State Parks site on the menu bar that provides links to the rest of FWP's divisions. Instead, the Montana State Parks Web site is accessed via an inconspicuous link (the Parks logo) on a separate part of the Web page.

Figure 5  
**FWP Montana State Parks Web Presence**

The figure illustrates the web presence of the Montana State Parks Division. It shows two screenshots of the Montana.gov website. The top screenshot shows the main menu bar with a small Parks logo circled in red. The bottom screenshot shows a zoomed-in view of the main menu bar, highlighting that the Parks logo is not included in the main navigation links.

*The Montana State Parks Web site cannot be accessed from the main menu bar on the home page of the FWP Web site at fwp.mt.gov. Links to all of the department's other public-facing divisions are present. Instead, the Parks Web site is accessed through a small logo on the opposite corner of the FWP home page. Source: fwp.mt.gov, February 2018.*

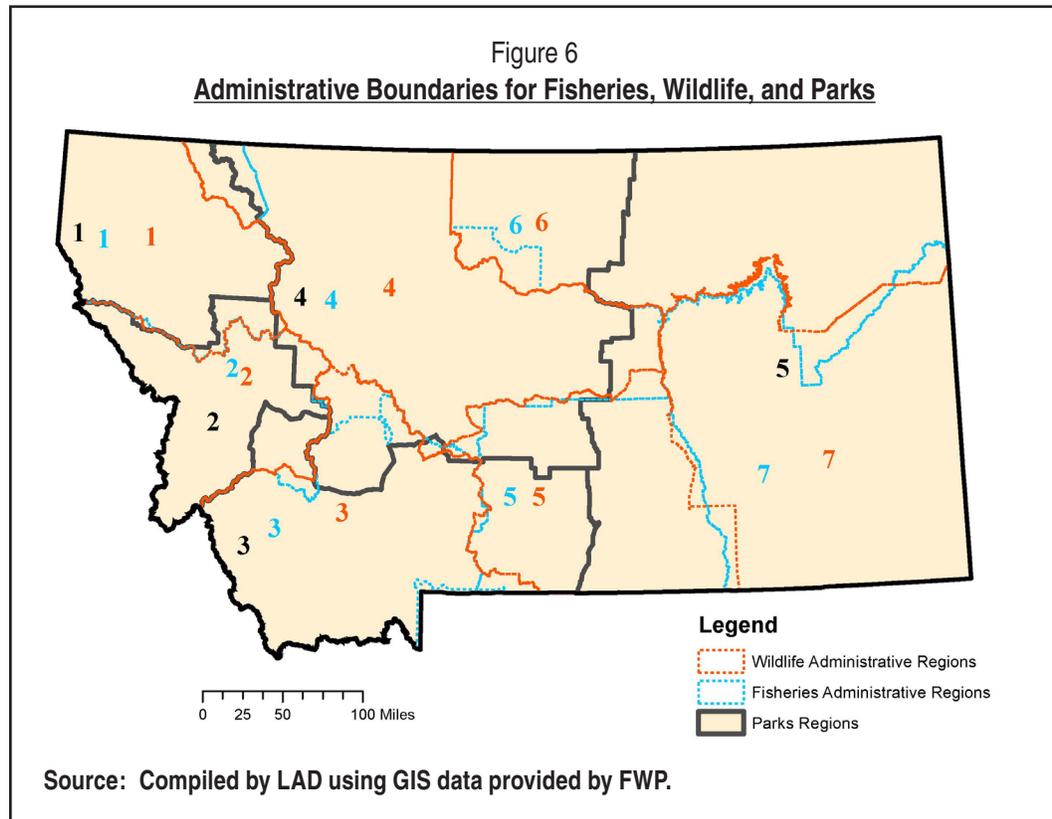
**Source: Compiled by the Legislative Audit Division from department website.**

- ♦ **Parks oversight:** In 2013, the legislature passed and the governor signed House Bill 24, which created the State Parks and Recreation Board, thus removing parks oversight from the Fish, Wildlife & Parks Commission, which was concurrently renamed the Fish and Wildlife Commission. Another expected benefit of a separate board for state parks would be a higher profile and better advocacy for the parks system within the larger department.

In interviews we heard that state parks generally suffer from a comparative lack of vocal public support. While all manner of hunting, fishing, and conservation groups will come to the Capitol to testify and/or contact legislators about fish and wildlife issues, state parks do not have the robust advocacy infrastructure enjoyed by the other divisions. Thus even while the parks themselves are hosting record numbers of visitors, the parks system is under-represented politically, we were told. Officials hoped that creating the board would help raise the profile of parks.

- ♦ **Regional structure:** In 2013 the Parks Division reorganized its regional structure and the reporting chain for regional parks managers. Previously, the division shared roughly the same seven regional boundaries as the rest of the department, and regional parks managers reported to regional FWP supervisors who were located in the same facilities. After the change, Parks was divided into only five regions, and the regional park managers reported directly to the division administration in Helena rather than the regional supervisors in their field locations. Regional managers of other divisions, meanwhile, continue to report to regional supervisors across the state.

Figure 6 (see page 17) illustrates the five administrative regions for state parks, as well as the seven regions apiece for fisheries and wildlife administration. Note that while fisheries and wildlife do not share identical boundaries, they are nearly the same, and are much more congruous than parks:



- ♦ **Law enforcement:** The Parks Division created its own law enforcement presence in 2009, with four wardens dedicated to covering state parks. According to staff, this created administrative challenges and fostered ill will between the Parks Division and the Enforcement Division. This structure was abandoned in 2013 and the four wardens who had been hired by parks were moved into the Enforcement Division.

Taken as a whole, these changes had the effect, both organizationally and culturally, of widening the divide within the department, as some employees were eager for the division to be distanced from FWP, while others believed FWP remained the most appropriate home for state parks. Over the years that these changes were taking place, the sentiment grew within the division that parks would be better served by moving outside of FWP.

### **Past Legislative Interest in Realigning Parks**

While many of the aforementioned steps were being taken within the department, a number of bills were brought forward in the last several legislative sessions that would have either moved the division out of FWP, or given the division more statutory autonomy within the department. Multiple bills have proposed moving the division to the Department of Commerce. While none of these bills reached the governor's desk, they received substantial legislative support over multiple sessions. Also, the creation of

the State Parks and Recreation Board by the legislature in 2013 gave the division some autonomy from the rest of the department by removing parks issues from the purview of the Fish and Wildlife Commission. In 2017, a bill that would have given the board (as opposed to the FWP director) the authority to hire and oversee the Parks Division administrator passed the legislature but was vetoed by the governor.

## **Parks Are Often Aligned With Natural Resource Agencies**

As a division of Fish, Wildlife & Parks, Montana State Parks has a relatively typical organizational location model compared to peer states in the region. While a few states have dedicated executive agencies for parks and recreation, the majority of states we reviewed house their respective state parks programs within a department also focusing on wildlife and/or related natural resource issues.

For example, Wyoming's state park program is a division of its Department of State Parks and Cultural Resources. South Dakota's is a division of its Department of Game, Fish & Parks, very similar to Montana's structure. Utah's is a division of its Department of Environmental & Natural Resources.

Colorado recently underwent an organizational change. In 2011 its parks program was moved from its own division under the Department of Natural Resources to join with the Wildlife Division under the same department. This move was done in an effort to save money and streamline services in what were viewed as functions with similar missions. It now functions as the Parks & Wildlife Division.

## **Despite Multiple Efforts to Move, Parks Remains Part of FWP**

Effective organizations have a strong culture that features strength in multiple areas, which should include vision, values, practices, people, narrative, and place. A desire to achieve many of these strengths is evident in the FWP "Vision 2016-2026" document, which lays out the department's direction for the next decade. The document speaks equally to fish, wildlife, and state parks resources, and addresses outdoor recreation in the same breath as hunting, fishing, and trapping in the context of Montana's culture and conservation ethic. However, the cumulative effect of the steps taken to distance the Parks Division from the rest of the department have hindered FWP's ability to foster a strong department-wide culture based on these shared values.

Further, best practices in corporate culture indicate the strongest organizations are those in which employees are most open to collaboration and sharing knowledge and skills with others across the organization. Changes to the organizational and reporting structures at FWP generally and regarding the Parks Division in particular have limited

the opportunities for such communication and thus further widened the cultural gap between the Parks Division and the rest of the department.

Despite the acrimony of the past decade, and numerous efforts to further separate state parks from FWP, the division today remains part of the department. In that context, the department should make every effort to build upon best organizational practices by improving internal communication and information sharing, and by implementing across all divisions the values outlined in its vision document for the coming decade.

Our audit identified certain circumstances within the department that do not readily lend themselves to audit recommendations, specifically the negative attitudes and strained relationships that grew over the past decade between the Parks Division and the rest of the department. However, giving the Parks Division equal standing with the other divisions on the department Web page and including parks content in the official publication of the department would be easy, public-facing steps FWP could take as part of a larger plan to better reintegrate parks into the department. Such a plan could include a number of tangible steps, including a periodic climate survey of employees across the department that could help identify issues and address the relationship between the Parks Division and the rest of FWP. This plan may even shed light on other problem areas before they rise to the level of animus seen over the last decade. As our work concluded, department management indicated a number of steps are underway to improve the culture at FWP.

---

**RECOMMENDATION #2**

*We recommend the Department of Fish, Wildlife & Parks develop and implement a plan to organizationally and culturally reintegrate the Parks Division into the broader agency.*

---

**Parks Fund Balance Not Expended as Appropriated**

Through audit work we determined that one lasting and tangible effect of the increasing isolation of the Parks Division in FWP was a lack of oversight of the parks budget. Unbeknownst to department management, the division built up a significant fund balance that came to light only when its size surpassed the annual parks budget.

At the end of Fiscal Year 2016, the Parks Division reported a positive fund balance of around \$11.3 million. Questions arose as to how this balance came into existence

at a time when Parks was publicizing a backlog of some \$22 million in deferred maintenance needs across the system.

There are several reasons a fund balance might exist, including a lack of available appropriation authority or a lack of cash. So, we analyzed the division's unspent budget authority, cash balances, and working capital. (Working capital is the amount of cash that would remain if all of the current assets were converted to cash and used to pay current liabilities.) The working capital we identified, which does not match the amount reported by state parks as an ending fund balance, represents the amount the division could have spent on operations, and includes our best estimate of the division's portion of certain department-wide funds. As summarized in Table 1 below, the division had both appropriation authority and cash available while its estimated working capital balance was growing.

Table 1  
**Parks Division Unspent Budget Authority and Estimated Working Capital and Cash Balance**  
Fiscal Years 2014 through 2017

	2014	2015	2016	2017
Unspent Budget Authority	1,042,166	2,145,980	2,630,391	2,289,651
Estimated Working Capital Balance	7,314,999	8,389,581	9,568,253	10,079,164
Estimated Cash Balance	7,605,080	8,509,022	9,583,563	9,913,405

**Source: Compiled by the Legislative Audit Division from State Accounting, Budgeting and Human Resources System records.**

Through interviews as well as review of budget documents, capital expenditure requests, personnel files, and summary documents prepared by the department's budget staff, we learned of multiple causes of the growing fund balance over the last several years. We also determined that a lack of oversight by department management allowed the fund balance to grow to a sum that was viewed as excessive and unjustified.

Several factors contributed to the growth of the Parks fund balance, including:

- ◆ A move toward requesting general fund dollars or bonding authority to pay for capital projects, rather than using funds from the Parks accounts as had been historically the case. In fiscal years 2005 through 2011, Parks made \$10.5 million in capital requests from its own budget. For fiscal years 2012 through 2019, only \$2.5 million in capital requests were made of these funds, while there was simultaneously a shift in requests for general fund dollars. Prior to the 2017 Legislative Session, Parks submitted a list of projects totaling \$14.5 million to the governor's office seeking general fund dollars. These requests were denied, although three Parks Division projects totaling \$6 million were subsequently included in the governor's budget using division funding.

- ◆ For fiscal years 2015 and 2016, funds from the bed tax totaling around \$1.3 million were put into the bed tax account to be used for general maintenance in the budget for the Helena office, but it was never expended. Unlike other sources of Parks Division revenue, the bed tax dollars are statutorily appropriated and can be spent by the division without legislative approval.

## **Department Management Overlooked Growing Fund Balance**

Questions arose throughout fieldwork as to how this balance grew unbeknownst to the director's office or other department officials. Many of the individuals who were in positions of oversight at the time are no longer with the department, but we nonetheless learned some reasons for how the fund balance was allowed to grow. Our audit work determined an ongoing lack of department oversight of the Parks Division budget resulted in the fund balance going unnoticed.

- ◆ Prior to the 2015 session, most of the department's attention was focused on the financial situation on the Fish and Wildlife side of the department, where fees had not been increased for close to a decade. Leadership within the Parks Division were long-tenured employees and were considered trusted and competent at running the division and its budget, so little attention was paid to this part of the department's overall budget picture. According to documentation provided by the department, the Parks Division had unspent appropriations totaling \$6.7 million for fiscal years 2016 and 2017, which makes up the lion's share of the fund balance.
- ◆ It was not unusual for Parks to have a substantial fund balance as the end of the fiscal year approached. Due to the seasonal usage of its facilities, Parks incurs significant expenses in July and August, so the fund balance is not expected to be low in the lead-up to the June 30 end of the fiscal year. Also, because Parks revenue could fluctuate with the economy, management endeavored to keep a balance of around \$3 million in the Parks account, to guard against an unanticipated shortfall in revenue in any of the four major parks funds or to pay for unanticipated repairs or other needs.
- ◆ Leadership made an assumption that divisions were spending their budgets, according to one member of management. It was apparent that the director's office had an expectation that appropriated funds were being expended, and there was a lack of oversight as the Parks fund balance grew over time.

## **Fund Balance Brought Bad Publicity and Negative Consequences to Parks**

The emergence of the substantial fund balance had numerous negative consequences for the department, including:

- ◆ News stories and opinion pieces from around Montana questioned department management and the division's protestations that its budget was insufficient at a time it was sitting on a funding surplus.

- ◆ Significant questions arose from the legislature about department management and oversight, along with numerous theories about the motivation from either the department or the division or both about why the money had not been spent.
- ◆ A negative effect on morale was felt across the Parks Division, particularly in regions and individual parks across the state. Multiple regional parks managers told us they found it inexplicable and demoralizing that they were making budget cuts to individual parks, and delaying necessary capital and maintenance expenditures, while the Parks Division balance was growing in Helena with money that could have been spent in the field.
- ◆ The legislature ultimately moved more than \$4 million to projects not related to state parks, including a county road project in Garfield County and to Virginia City and Nevada City. This hurt the division's ability to complete capital projects in the future, and potentially undermined public trust that the fee citizens voluntarily pay for parks when registering light vehicles will in fact be used to support state parks.

## Steps Needed to Strengthen Financial Management

Managers should be able to delegate responsibilities to staff with reasonable assurance that what they expect to happen actually does. Part of this is being able to show that public funds are administered and expended in compliance with applicable laws and regulations, and as intended by the legislature. Funds that were appropriated and never spent led to a significant growth in the balance of division funds. A review of internal FWP documents indicated that the fund balance was a concern to department management once it was discovered, but a lack of oversight in the years leading up to that discovery allowed the balance to grow in the first place.

During our audit we learned of a pending reorganization of the budgeting function throughout FWP that would move various divisional budget staff into a centralized budget office and provide for more oversight of the finances of the Parks Division and other divisions. This reorganization, if completed, would be a good step toward preventing Parks Division budgetary issues from recurring in the future.

---

### ***RECOMMENDATION #3***

*We recommend the Department of Fish, Wildlife & Parks increase centralized management oversight and implement changes to agency financial management to ensure appropriated and available funds are expended as intended.*

---

## Chapter III – Park Management and Resource Allocation

### Introduction

As part of our second objective, we examined how the Parks Division (division) prioritizes and tracks the routine maintenance work and capital projects at its properties. The division has long publicized the significant number of parks it must operate and maintain on what it views as a limited budget. Thus, we wanted to learn how the division allocates the resources it receives, and whether parks are appropriately maintained. We looked at how resources are allocated for capital projects and regular operations and maintenance, and reviewed how resource availability factors into consideration of adding or removing parks from the system.

We learned that several tangible, positive steps have been taken by the division and the State Parks and Recreation Board (board) in recent years that have moved the division toward better allocation of maintenance and operations resources. However, the division falls short of employing a thorough or statewide strategy for allocating resources for maintaining existing parks and prioritizing capital projects.

This section reviews how the division prioritizes and tracks maintenance and operations activities and how management information is collected and employed by the department. It includes recommendations related to developing system-wide plans for resource allocation and making better use of available management information in prioritizing maintenance work across the system.

### The Current State of Parks

Our work on this objective also included visits to approximately one-third of all Montana State Parks. We selected a sample of parks to visit that included multiple parks in each of five Parks Regions in Montana, as well as a cross-section of parks from each of four classifications as identified by the State Parks and Recreation Board. (The board's classification exercise will be discussed below.)

Our visits included the following 19 parks, from June-October, 2017:

- ◆ **Region 1:** Big Arm, Lone Pine, Wayfarers, West Shore
- ◆ **Region 2:** Frenchtown Pond, Travelers' Rest, Milltown
- ◆ **Region 3:** Anaconda Smoke Stack, Greycliff Prairie Dog Town, Lewis & Clark Caverns, Lost Creek, Madison Buffalo Jump, Missouri Headwaters
- ◆ **Region 4:** Elkhorn, Giant Springs, Tower Rock
- ◆ **Region 5:** Chief Plenty Coups, Lake Elmo, Pictograph Cave

In observing the parks, we measured the prevailing conditions against the prescribed list of maintenance items spelled out in statute. Section 23-1-127, MCA, requires certain maintenance activities be prioritized ahead of additional development or improvements at existing parks. This list of maintenance activities includes clean and stocked restrooms; trash collection and removal; fence upkeep; weed control; upkeep of trails, roads, and docks; erosion control; stream bank stabilization; and other basic maintenance. Not all of the items on the list were applicable to every park (not all parks include stream banks, for example), but the list did provide general guidance for what the legislature views as maintenance priorities at existing parks before major projects are undertaken.

The following photograph shows Frenchtown Pond State Park in October, 2017. The park, formerly a gravel pit and now a popular swimming and recreation site west of Missoula, was found to be generally clean and well-maintained.

Figure 7  
**Frenchtown Pond State Park**



Source: Photo by the Legislative Audit Division.

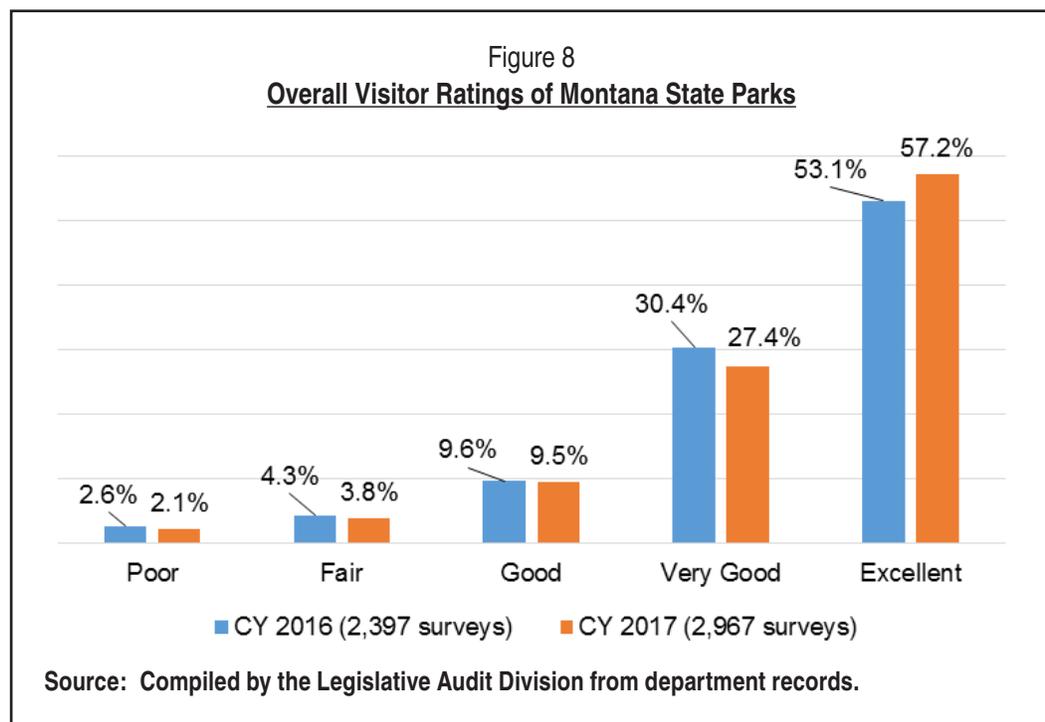
We found that generally, Montana's state parks are in good condition. Through observation we saw minimal noxious weeds, some structures in need of repair, some landscaping or arboreal issues, and the occasional piece of trash on the ground or

in the water. But overall we determined the state parks we visited were clean and well-maintained. Signage was plentiful and in good condition, parking areas were obvious (striped or, if not paved, free of debris and well-graded), trails were generally groomed, and the grounds were neatly landscaped.

### **The Visiting Public Is Happy With State Parks**

To determine how the public feels about the condition of state parks, we also reviewed 5,364 post-stay surveys from calendar years 2016-2017 for Montana’s state parks. In particular, we focused on the visitors’ overall ratings of the visits, the ratings of staff at the parks, cleanliness of restrooms, and the appearance/condition of the parks. In both years we reviewed, the number of positive ratings far outnumbered poor ratings. Positive ratings edged slightly higher in 2017 from an already high base in 2016. The few negative responses typically had common themes across the parks, such as complaints about expensive showers, poor website description of park amenities or campground sizes, bathroom cleanliness (even though as a whole feedback in this area was good), reservation complications or mix-ups, and other guests being loud, disruptive, or not obeying the rules. Some negative responses from out-of-state visitors in particular seemed to focus on amenities offered, such as small RV pad size and lack of electricity in campgrounds. However, as a whole, responses to the survey were overwhelmingly positive.

As Figure 9 notes, 83.5 percent of those surveyed rated their overall park experience as Excellent or Very Good in 2016, and that figure climbed to 84.6 percent in 2017.



While the visitor survey data does not include every park in the system, it is collected at most of the higher-profile and most popular parks where camping is available. This could provide both a baseline for year-over-year measurement of customer satisfaction as well as drawing attention to potential issues or persistent complaints at one or more parks. This data could be used to help drive resource allocation decisions. However, division staff told us they do not currently employ this information to assist with resource allocation or maintenance prioritization decisions.

Our own visits as well as visitor surveys from the past two years indicate Montana's state parks are generally in good condition. However, the Parks Division could use data collected from visitors to better identify areas of need and more efficiently allocate resources to provide for maintenance and upkeep of existing facilities.

### **The Division Has Taken Steps Toward Resource Prioritization**

One of the first undertakings of the newly authorized State Parks and Recreation Board was the development of a strategic plan for Montana State Parks. This plan serves as a guiding framework for the management of the park system. One key outcome desired from the plan was to set priorities and allocate resources to the most significant sites in the system.

Shortly after the adoption of its 2015-2020 Montana State Parks and Recreation Strategic Plan, the Parks Division contracted with a private engineering firm to conduct a facilities condition inventory (FCI) at the majority of state parks, with particular focus on those with substantial infrastructure, such as Bannack State Park. A primary goal of the FCI was to help develop a comprehensive log of maintenance needs and projected costs across the system, in order to assist with prioritizing the allocation of resources and meeting the strategic plan's stated goal of addressing fiscal shortcomings while maintaining affordability for the public.

The several documents that make up the FCI identified \$22 million in maintenance needs, a figure that one administrator suggested might even grow if a more thorough look at each individual park and structure was conducted. Some of the needs identified were as simple as painting a fixture, while others were larger scale capital projects like roof replacements or other significant expenditures.

The strategic plan also called for a classification exercise to help guide resource allocation decisions. The division and the board undertook this classification, and categorized each park in one of four tiers based on several factors, including significance, relevance, and accessibility.

The classification exercise looked at a number of criteria across the parks system in dividing the parks into four classes, proposing the following management approaches for each:

- ♦ **Class 1A:** Prioritize funding and operations. Focus reallocation of resources to these sites first. **Class 1B:** Continued investment.
- ♦ **Class 2:** Growth and investment as opportunities arise. Improve relevance and accessibility. Focused planning and partnership efforts.
- ♦ **Class 3:** Evaluate funding and operations as appropriate. Maintain relevance and accessibility. Clarify long-term vision of sites. Seek partnerships or alternative management where appropriate.
- ♦ **Class 4:** Re-evaluate current management approaches. Seek partnerships or consider potential transfer to other public managers. Where possible, reallocate resources to more significant sites.

The following table illustrates the results of the classification exercise.

Class 1A	Class 2	Class 3	Class 4
Bannack (Reg. 3)	Fish Creek (Reg. 2)	Beavertail Hill (Reg. 2)	Ackley Lake (Reg. 4)
Flathead Lake* (Reg. 1)	Madison Buffalo Jump (Reg. 3)	Black Sandy (Reg. 4)	Anaconda Stack (Reg. 3)
Lewis & Clark Caverns (Reg. 3)	Medicine Rocks (Reg. 5)	Brush Lake (Reg. 5)	Beaverhead Rock (Reg. 3)
Makoshika (Reg. 5)	Milltown (Reg. 2)	Frenchtown Pond (Reg. 2)	Clark's Lookout (Reg. 3)
Class 1B	Rosebud Battlefield (Reg. 5)	Hell Creek (Reg. 5)	Council Grove (Reg. 2)
Chief Plenty Coups (Reg. 5)		Lake Elmo (Reg. 5)	Elkhorn (Reg. 4)
Cooney (Reg. 3)		Lake Mary Ronan (Reg. 1)	Fort Owen (Reg. 2)
First Peoples Buffalo Jump (Reg. 4)		Les Mason (Reg. 1)	Granite (Reg. 3)
Giant Springs (Reg. 4)		Lone Pine (Reg. 1)	Greycliff Prairie Dog Town (Reg. 3)
Logan (Reg. 1)		Placid Lake (Reg. 2)	Lost Creek (Reg. 3)
Missouri Headwaters (Reg. 3)		Salmon Lake (Reg. 2)	Marias (Reg. 4)
Pictograph Cave (Reg. 5)		Sluice Boxes (Reg. 4)	North Shore (Reg. 1)
Smith River (Reg. 4)		Spring Meadow Lake (Reg. 4)	Painted Rocks (Reg. 2)
Thompson Chain of Lakes (Reg. 1)		Thompson Falls (Reg. 1)	Piroque Island (Reg. 5)
Tongue River Reservoir (Reg. 5)		Whitefish Lake (Reg. 1)	Tower Rock (Reg. 4)
Travelers' Rest (reg. 2)			Yellowstone (reg. 5)

**Source: Compiled by the Legislative Audit Division from department records.**

\*Flathead Lake includes Big Arm, Finley Point, Wayfarers, West Shore, Wild Horse Island, and Yellow Bay state parks.

This exercise led to some resource allocation adjustments across the parks system, with additional resources funneled toward the parks in Class 1, and Class 2 parks

seeing more funding “as available.” However, efforts at continuing to move toward a comprehensive resource allocation strategy have stalled in the last 16 months, as significant turnover among division staff, department leadership, and the Parks and Recreation Board have contributed to this allocation initiative being put on hold for a period of time, in addition to the parks fund balance being used for other non-parks projects. Division management has acknowledged that the lack of such a holistic strategy is an urgent issue that needs to be addressed.

In developing a strategic plan, assessing facilities and maintenance needs across the system, and implementing a classification system for state parks, the division and the board have taken several positive steps toward better allocation of scarce resources. However, more work remains to be done, largely in developing a system-wide ability to track maintenance needs and accomplishments, and in further determining how to share resources among the four classes of parks.

### **Active But Inconsistent Maintenance Strategies**

In our visits to the five regional parks managers across Montana, we reviewed how the information on maintenance needs from the FCI was being used to help prioritize resource allocation to areas of greatest need. While regional managers are actively addressing the needs identified in the reports, they are not doing so in a coordinated or uniform fashion.

We acquired and reviewed documentation from regional managers that indicated varying degrees of ongoing maintenance efforts at parks around the state. In some cases managers were tracking progress against needs identified in the FCI in spreadsheets, while others were using text documents. In some cases the maintenance tracking documents appeared to have been in use and continually updated as projects were completed over multiple years, while in other cases the documents appeared to have been developed in anticipation of our visit.

Similarly, while all parks regions are pursuing necessary maintenance projects, they are not doing so in a consistent manner. Some regions and individual park managers have created detailed lists and timelines for project completion, while others have taken a more random or opportunistic approach to completing projects as funds and/or partners become available.

### **Other States More Regularly Assess Maintenance Priorities**

We interviewed officials from other state parks systems to learn how they approach maintenance prioritization and resource allocation. States contacted were Wyoming, North Dakota, South Dakota, Colorado, and Texas. Based on our interviews, we found these states all have more formalized strategies for prioritizing general maintenance and

capital projects. Each state we talked to acknowledged the importance of prioritizing maintenance and capital needs in order to facilitate efficient allocation of limited resources.

Wyoming prioritizes its capital projects based on projected return on investment, and for general maintenance it uses a combination of a facility management program and visitor surveys to identify maintenance needs. North Dakota has a two year maintenance review cycle and a master plan for capital projects which are influenced by the lifespan of a project and public support. Use of a facility maintenance program for general maintenance has helped North Dakota to eliminate its backlog of deferred maintenance. South Dakota's capital projects are prioritized by a planning and development team which takes into account requests of field staff. General maintenance is determined by field staff, but a facility management system is in development.

Colorado's capital projects are determined in two year cycles based on input from field staff and department leadership. General maintenance work plans are being developed to incorporate into a strategic plan but have yet to be implemented. Texas capital projects are decided by a facilities management team within the parks division, which receives requests from regional managers. An infrastructure division in the department ensure the projects are completed. General maintenance is prioritized with the help of a facility management system.

## **Parks Has Not Fully Developed a System-Wide Strategy for Resource Allocation**

The Parks Division does not have a consistent system-wide strategy in place for the prioritization of maintenance projects, and does not have a strategy for allocating resources across all parks regions for maintenance and capital projects. Without such a strategy in place, the division may not be making the most efficient use of its limited resources, and the ongoing maintenance needs of parks across the state may not be addressed in a timely fashion. Completing the facility condition inventory was a good start toward developing a strategy for allocating resources across the parks system for maintenance and operations as well as prioritizing capital needs, but without a system-wide consistent strategy for prioritizing these maintenance and capital needs, the Parks Division is not making optimal use of the resources it has. The FCI identified a backlog of some \$22 million in maintenance needs across the system in 2015 and 2016. However, when we asked for an update on how much of this \$22 million had been worked on since the FCI was completed, and whether any new work was added to the list, the division was unable to provide complete information. It was apparent that projects are being completed, but that a centralized, thorough, and timely tracking of the projects was not being maintained.

**RECOMMENDATION #4**

*We recommend the Department of Fish, Wildlife & Parks develop and implement a system-wide plan for regularly ranking, reviewing, and documenting resource allocations for capital projects, and for maintenance and operations of state parks.*

---

**Parks Division Could Better Collect and Employ Management Information**

We also wanted to know whether any information management systems are in place for the system-wide tracking of maintenance work and capital projects. We learned that the division has contracted and paid for a management information software system that it is not currently using. Therefore, the division does not sufficiently compile and employ management information to provide for efficient maintenance and operations and capital project prioritization at state parks.

In May 2016, the division contracted for a software system that is designed to provide a “fully functional asset management, job costing, and work order suite specifically designed for the maintenance operations of public agencies.” The contract promised a system “that stores mission critical data and quickly and accurately produces information for decision-making.” The \$97,000 cost included both the software and training, as well as data conversion to integrate data from the FCI and additional information related to parks vehicles, equipment, employees, vendors, tasks, and other information into the software system.

In addition to providing real-time information regarding maintenance work at state parks, there was an expectation among managers that the system could be used as a warehouse of “institutional knowledge” to track recurring (annual or seasonal) maintenance tasks, so that as maintenance supervisors or park managers retired or left their jobs, their replacements would have a reliable source of information on which tasks need to be done at which time of year, to help ensure work would be timely despite employee turnover.

**Management Information System Not Employed on Schedule**

The scope of work document for the project proposed a schedule for installation, data conversion, and training that would have the system in place and operational by fall

2016. However, almost two years later it was apparent the system is not operational and is not being used by administrators in Helena or by regional managers or park managers across the state. We were unable to review the system to determine whether it is a suitable software application for the uses proposed: a regional manager was unable to access the system through his network, and repeated requests to view the system in Helena were not successful. In interviews, parks administrators and staff acknowledged the system has not been made operational as intended. They cited a lack of communication from the contractor as well as reluctance among field staff to learn new ways of tracking and updating maintenance work and progress reports as reasons the software is not yet in use. Department officials also indicated that a number of strategic initiatives, including implementation of this software system, were on hold for most of 2017 while the Parks Division was without a permanent administrator and chief of operations. We also learned FWP is considering alternative management systems that may be implemented department-wide and not just within the division.

Without the relevant management information in place, the Parks Division is not efficiently tracking the maintenance needs across the system. According to one regional parks manager, the parks system has a significant inventory of infrastructure that is at the end of its useful life, or past it, and collecting and managing information about parks' facilities and maintenance needs would be invaluable in categorizing needed maintenance and helping prioritize the infrastructure's upkeep or replacement. Collecting and maintaining management information can also provide a helpful bridge between old and new employees, cataloging information related to routine seasonal maintenance and other scheduled tasks so that as employee turnover naturally occurs, the new employees will have access to important scheduling and cost information without having to start from scratch. Further, the software package as it currently sits unused, represents a sunk cost of nearly \$100,000 to the department, with no tangible benefit yet realized.

---

#### **RECOMMENDATION #5**

*We recommend the Department of Fish, Wildlife & Parks:*

- A. *Implement a system to compile and use management information to better manage the maintenance and resource prioritization at state parks, and*
  - B. *Develop and implement a plan for gathering, maintaining, and employing management information as part of an overall strategy for managing parks' maintenance and capital improvement needs.*
-

## State Parks Property Acquisition and Transfer

The department has steadily added to its inventory of park lands over the years, acquiring a variety of lands across the state under many different circumstances. Some park lands have been proactively identified and acquired by the department from the private sector, while in other cases another public or private entity was searching for a public home for a property and the Parks Division stepped up when no other owner could be identified.

Acquisition of real property comes with costs and responsibilities that will place financial obligations on the division long after the land is purchased. A comprehensive plan for managing a real property portfolio recognizes that ownership of property comes with perpetual operational and maintenance costs. Audit work found that these costs have not always been thoroughly considered or accounted for when the department considers the acquisition of new lands for state parks. Rather, we found the department emphasized acquisitions first, with ongoing operations and maintenance funding something of an afterthought.

To determine the extent to which ongoing funding needs are considered by the department when acquiring new property, we reviewed a lands acquisition policy approved by the board. We also reviewed files related to several recent acquisitions of new state parks, made prior to the establishment of the State Parks and Recreation Board, to determine the extent to which ongoing funding needs informed acquisition decisions. Details on our work appear in the following sections.

### **Policy Addresses Need for Ongoing Funding**

In 2015, the Parks and Recreation Board recognized the need for increased consideration of ongoing maintenance and operations costs when considering the acquisition of new park lands, and approved a policy governing the acquisition and transfer of interest of park lands. The policy noted that “historically, land acquisitions of all types within the park system has been inconsistent and without policy guidance. Sites have been acquired without the foresight for future development needs, the long-term maintenance and staffing costs, and similar considerations.” To address this historical oversight, the 2015 policy mandates that proposed acquisitions meet conditions related to:

- ♦ **Site development funding:** A plan will be developed defining the necessary improvements, anticipated costs, and how they will be funded.
- ♦ **Operational and staffing costs:** A plan outlining the anticipated costs of managing a given parcel shall be required and considered prior to advancing any acquisition project.

## **Recent Acquisitions Do Not Show Evidence of Thorough Consideration of Ongoing Funding Needs**

Audit work included a visit to the FWP Lands Office to review the six most recent land acquisitions for Montana State Parks. These included new lands at Travelers' Rest, Milltown, Marias River, Yellowstone River, Fish Creek, and North Shore state parks. Our review of acquisitions focused largely on the inherent need for operations and maintenance funding at new parks as they are brought into the system, and to what extent the Parks Division planned for and secured funding to maintain and operate its newly acquired park lands. Any FWP acquisitions exceeding 100 acres in size or \$100,000 in cost must be approved by the Board of Land Commissioners.

The division has acquired just one parcel of land since the policy was approved—the fourth and final piece of what is soon to become Milltown State Park at the confluence of the Clark Fork and Blackfoot rivers just east of Missoula. A review of files, hearings, and decisions related to that acquisition revealed little in the way of planning/securing operations and maintenance funding for the parcel beyond a five-year grant from the Natural Resource Damage Program (NRDP). However, the policy exempts from the above requirements the acquisition of in-holdings and adjacent park lands. While Milltown is not yet an official state park, the three other parcels that will make up the park had already been secured by the department prior to adoption of the policy, and this fourth parcel provided key access to what will become the main visitor area of the park. Nonetheless, it was apparent from our review that ongoing operations and maintenance funding for Milltown beyond the five years of grant support has yet to be identified.

Other acquisition files we reviewed were for transactions that took place prior to the policy being in place. Planning documents for these lands indicated various measures of consideration given to paying for development, operations, and maintenance, but little in the way of firm plans, and little follow-through by the department once park property was acquired. A decision notice for an earlier Milltown acquisition acknowledges that sources of operations and maintenance funding will need to be identified, but there is no evidence in the file or from subsequent interviews that such funding has been pursued with any success.

Similarly, we reviewed files for four future parks purchased in part with "Access Montana" funding about a decade ago. Access Montana was a program initiated around a decade ago to acquire additional public lands for hunting and recreation in Montana. In each case, these parks were to be carved from larger Wildlife Management Areas (WMA), with parks funding contributed as a percentage of the total purchase price for

the larger parcel. In draft environmental assessments and management plans for these acquisitions, funding for park development as well as operations and maintenance were discussed to a limited and abstract extent, but little to no development has taken place as promised at these parks.

For example, at Marias River State Park (and WMA) in Toole and Pondera counties, acquired in 2008, the preliminary management plan called for securing funding for an on-site park manager within five years, and for the active pursuit of funding to provide site stewardship, administration, and visitor use management. A decade later, the park portion of the property remains completely undeveloped, and Marias River does not appear on the Montana State Parks Web site. As one official told us, Access Montana was a largely political exercise that had no operations money associated with it. This official noted that Marias River to date offers no services, no operations, and no staffing, and it would not be a major loss to the parks system if it were disposed of as a state park.

As a result of limited planning and inconsistent follow-through in the determination of how to fund the operation and maintenance of new state parks, the division finds itself with a number of properties that have been state parks in name for a decade or more but that have no development or amenities in place for public use, and no apparent plans to proceed with developing these properties.

---

#### **CONCLUSION**

*Historically, the department has not routinely or thoroughly considered ongoing funding needs when acquiring new parks lands. However, the policy requiring such consideration was not put in place until after the acquisitions we reviewed had been completed. Without consideration of ongoing funding needs, the department will be increasingly challenged to maintain and operate a growing real property portfolio. It will be important for the department and the board to heed this policy when potential acquisition opportunities are presented in the future.*

---

### **Other States Vary in Approach to Acquisitions and Transfers**

We also conducted interviews with a sample of other states' parks systems administrators to learn how they approach the acquisition and transfer of park lands. Similar to Montana, we found that other states do not have a consistent practice for acquiring or transferring of parks properties. For example, neither North Dakota nor South Dakota has a formal policy for adding or subtracting state parks. Colorado has had policies and directives regarding adding park land in the past, but is looking to update these

policies in light of recently moving to a new department. It is unclear what, if any, policies Colorado has regarding transfer of parks. Texas adds parks on a case-by-case basis, but there are screening criteria new land must meet and any acquisition must be approved by its oversight commission. Similarly, Texas sometimes transfers parks to local governments if the parks are not conducive to the division's mission or are unable to be developed. These transfers must also be approved by its oversight commission. While we found inconsistent practices for the acquiring or transferring of park properties, our work determined that it is important for the department to consider the recurring operational and maintenance costs, both of individual parks and of its portfolio of parks as a whole, as part of a comprehensive land management strategy.

### **Transfers in Montana are Rare, But Not Unprecedented**

In addition to looking at how the division plans for the ongoing funding needs for new parks, we examined whether the division ever transfers parks. We also looked at whether the overall funding picture and ability to maintain and operate its entire portfolio of parks informs conversations about whether any parks should be transferred to other owners.

Montana State Parks has rarely transferred its ownership or interest in a property formally identified as a state park. In the past two decades only one park has been removed from the parks roster—a small “homestead” near Three Forks that was leased from private owners for 25 years, then not renewed. Our review of all Parks fee title transactions showed several instances of Parks divesting property, but in none of these instances did the sale or other divestiture consist of an entire state park. Rather, most transfers involved trading one piece of land for a more suitable parcel in the same area; clean-up of boundary inconsistencies; easements; or other administrative moves. (Several decades ago, the Parks Division did transfer state parks on lands owned by other public entities, including Canyon Ferry Lake near Helena and others.)

### **Policy Inconsistent in Addressing How and When to Reduce Number of Parks**

The 2015 policy governing the acquisition or transfer of interest in property does acknowledge that there are instances where “the transfer of certain lands or interests in lands is appropriate,” and lists a number of circumstances in which such transfer may occur. Among the criteria is “lands purchased as parks sites but currently undeveloped,” which would explicitly include the Access Montana properties like Marias River.

However, the policy was subsequently amended in 2017 with language indicating that “In the management of state park lands, it shall be the policy and intent of the Board

not to close any existing State Parks or recreational and historic areas.” This addition to the policy is at odds with the previously established criteria for when transferring a park may be considered. The board policy for transferring parks also does not speak to assessing the current financial state of the Parks Division, and whether the division is in a position to operate and maintain all of its current inventory of parks.

In multiple interviews we were told that reducing the number of parks is an undertaking fraught with political peril, even if the proposed transfer were to remain as public land with another owner, or if the park is on land that is leased from another state or federal government entity. Officials and board members were reticent to broach the subject of transferring parks, lest area legislators or other interested parties mount campaigns against the proposal.

The Parks Division struggles to sufficiently fund maintenance, operations, and capital improvements at its wide array of parks. It is important that a comprehensive approach to management and resource allocation include the opportunity to consider whether the number of parks is too large for the department to support as currently funded.

### **Transfer of Parks Could Be a Valuable Management Tool**

The board-approved lands policy identifies criteria for identifying park lands suitable for transfer. However, the policy of not closing any state parks removes a measure of flexibility to better align the division’s existing resources with the number of parks for which it is responsible. The division and the board recognized the need for increased consideration of ongoing maintenance and operations costs when considering the acquisition of new park lands, and implemented a policy requiring resources be identified and secured before parks are acquired. However, the policy is conflicted in addressing the transfer of park lands out of the system, and the division and board have not sufficiently weighed current resources against the division’s ability to maintain and operate its entire park inventory. Our work identified a need for the department and the board to more fully consider parks transfer as part of a comprehensive management strategy for the state park system.

---

**RECOMMENDATION #6**

We recommend the Department of Fish, Wildlife & Parks work with the State Parks and Recreation Board to strengthen the board's lands policy by:

- A. Including resource availability and the division's ability to staff and maintain state parks as criteria for when a park may be transferred; and
  - B. Eliminating the conflict in the current policy between land transfer criteria and the assertion that the State Parks and Recreation Board will not close any parks.
-



DEPARTMENT OF FISH,  
WILDLIFE & PARKS

DEPARTMENT RESPONSES





# MONTANA

## FISH, WILDLIFE & PARKS



PO Box 200701  
Helena, MT 59620-0701  
406-444-3186  
FAX: 406-444-4952  
Ref: DO#101-18

April 6, 2018

Angus Maciver  
Legislative Audit Division, Room 160  
Capitol Building  
Helena, MT 59601

RECEIVED  
APR 09 2018  
LEGISLATIVE AUDIT DIV.

Dear Mr. Maciver:

Montana Fish, Wildlife and Parks (FWP) has received the Performance Audit Report for the Parks Division. The information in the report is indicative of the level of work expended by your staff to better understand the overall operation and management of the parks system as well as the responsibility and role of the Parks and Recreation Board. We welcome the recommendations and effectual evaluations to the many elements and activities involved with the Parks Division and the authority of the Parks and Recreation Board.

The Department's response to the recommendations follows:

### **Recommendation #1**

**We recommend the Department of Fish, Wildlife, & Parks work in consultation with the State Parks and Recreation Board to clarify and document the role, duties, and powers of the State Parks and Recreation Board to ensure a clear delineation of authority between the board and the department, seeking legislation if necessary to better define the board's authority.**

### ***Concur.***

The Department agrees with recommendation #1 and is committed to working with the Board to clarify respective roles, responsibilities and authority. The Audit report provides a sound foundation for the department and board to revisit our statutory roles, the practices we follow in deciding what items to place on the Board's agenda and who makes which decisions.

Implementation of this recommendation will be made through administrative changes and, if necessary, proposed legislation.

***Timeline:*** *The Department will continue to ensure a clear delineation of authority between the board and the department by December 2019, seeking legislative adjustments if necessary.*

### **Recommendation #2:**

**We recommend the Department of Fish, Wildlife & Parks develop and implement a plan to organizationally and culturally reintegrate the Parks Division into the broader agency.**

#### ***Concur.***

The status of the Parks Division in FWP has been in limbo since the 2011 Legislature considered a bill to move Parks to the Department of Commerce. Now that the issue of where Parks will be located in state government has been resolved, the Department agrees with the need to organizationally and culturally reintegrate the division into the broader agency, and is committed to doing so. The Governor's Executive Order establishing the Montana Parks in Focus Commission also tasks the Commission with assessing cultural challenges facing State Parks within FWP. In conjunction with the Montana Parks in Focus Commission, the department has already begun work on a climate survey of Parks Division employees. This work, insights from the Commission, and work internally within the department will all contribute to the development of a plan to implement this recommendation.

***Timeline:*** *December 2019.*

### **Recommendation #3**

**We recommend the Department of Fish, Wildlife and Parks increase centralized management oversight and implement changes to agency financial management to ensure appropriated and available funds are expended as intended.**

#### ***Concur.***

The Department recognized the need for increased accountability and transparency in its business functions for all programs prior to the audit recommendations being released. In order to ensure robust management oversight and financial accountability for all FWP programs, budgeting functions in all divisions have been consolidated into a centralized unit that is part of the Administration Branch of the agency effective February 1, 2018. This change ensures that all financial monitoring and review occurs in a manner that is consistent, transparent, and in accordance with all statutes, rules, and policies the Department is subject to.

Additionally, processes have been put in-place to monitor not only the status of expended funds, but also the status of allocated funds. This includes oversight and compliance assistance on funds of all types utilized by the Parks Division. Examples include, Recreational Trails Program, Land and Water Conversation Fund, AmeriCorps, Federal Dingle-Johnson funds, as well as all state special revenue accounts funding Parks Division programs.

***Timeline:*** *All of these measures have been implemented and department plans to monitor effectiveness.*

#### **Recommendation #4**

**We recommend the Department of Fish, Wildlife and Parks develop and implement a system-wide plan for regularly ranking, reviewing and documenting resource allocations for capital projects and for maintenance and operations of state parks.**

***Concur.***

We are pleased that the auditors found that the public is generally pleased with state parks and the maintenance and upkeep of those items listed as priorities in Section 23-1-127, MCA. The Audit also recognized the Facilities Condition Inventory (FCI) conducted by a private engineering firm in 2015 to assess the backlog of capital maintenance needs in Montana State Parks. The FCI identified \$22M in unmet capital needs within a portion of the State Park system. These capital needs cannot be addressed without additional funding and appropriations from the Montana Legislature.

The Parks Division is in the process of filling the vacant Chief of Operations position. One of the duties of this position will be to work with the Regional Park managers to develop a system-wide process for evaluating needs for both capital projects and maintenance, allocating resources to priority needs and documenting the results.

***Timeline:*** *December 2019.*

#### **Recommendation #5**

**We recommend the Department of Fish, Wildlife and Parks:**

**A. Implement a system to compile and use management information to better manage the maintenance and resource prioritization at state parks, and**

**B. Develop and implement a plan for gathering, maintaining and employing management information as part of an overall strategy for managing parks maintenance and capital improvement needs.**

**Recommendation #5A:**

Each region has their own method of recording progress on the FCI and prioritizing daily, cyclical and annual maintenance activity based on management needs. Discussion has begun to address the need for systematic method of gathering information, identifying needs, allocating resources and documenting progress across regions. Management information system analysis is underway and we will determine additional changes that may be necessary.

*Concur.*

**Recommendation #5B:**

As vacant administrative staff positions are filled in both the Helena Headquarters and Regional level this effort will be re-initiated in order to continue to make significant progress to have a system fully functional by December of 2019.

*Concur.*

**Response to #5 A and B:** The Parks Division recognizes the need for a more data-driven management system. We are assessing whether the existing management information system under contract is the appropriate system that meets our needs. After this system-analysis is completed, we will determine if additional changes are needed.

**Timeline:** *December 2019.*

**Recommendation #6**

**We recommend the Department of Fish, Wildlife & Parks work with the State Parks and Recreation Board to strengthen the board's lands policy by:**

- A. Including resource availability and the division's ability to staff and maintain state parks as criteria for when a park may be transferred; and**
- B. Eliminating the conflict in the current policy between land transfer criteria and the assertion that the State Parks and Recreation Board will not close any parks.**

*Concur.*

The Department **concur**s with both parts of Recommendation #6. It is imperative for the Department to work in a synchronized fashion with the Parks and Recreation Board to establish clear and consistent criteria in all of the Board's policies. Resource considerations including the ability to operate and maintain newly acquired sites need to be a component of the decision-making effort of the Department in conjunction with the Board. The department agrees that improved guidance and possible changes to board policies are needed for land acquisitions and transfers.

The Department also agrees that the Board policies should not include conflicting language or criteria. Measures will be taken to assure more consistency is provided which may include reexamining existing Board policies, specifically the Acquisition and/or Transfer of Interests in Land. Land transfer (rather than land disposal) is outlined as a management tool in those instances where identified lands may be more appropriately managed by other government entities for public recreation.

The Department plans to take a coordinated effort to re-examine and strengthen these policies later this year and into 2019. It is anticipated these efforts will require multiple Board meetings to finalize potential changes and assure public involvement in any and all changes.

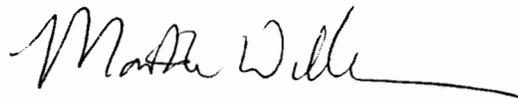
**Timeline:** *December 2019.*

The Department appreciates the opportunity to respond to these audit recommendations and looks forward to making the identified improvements in state park and recreation operations. We also aim to provide clear delineation of the authority of the Department versus the Parks and Recreation Board.

With the formation of the Montana Parks In Focus Commission and the recent changes in the Parks and Recreation Board members, it is anticipated full implementation of these recommendations may take over a year. The Parks In Focus Commission recommendations will be presented to the Parks and Recreation Board this fall (September 2018). If needed, proposed legislative changes would be addressed in the 2019 Legislature. Finalizing any legislative actions would then occur after the completion of the legislative session.

The Parks Division has had significant staff turnover in the past 18 months. We have filled three positions over the last few months but have other critical positions that remain to be filled, we realize that it will take some time to have effective implementation with all of our plans and implementation methods.

Sincerely,

A handwritten signature in black ink, appearing to read "Martha Williams", with a long horizontal line extending to the right.

Martha Williams  
Director





## Montana State Parks and Recreation Board

PO Box 200701  
Helena, MT 59620-0701  
406-444-3186  
FAX: 406-444-4952  
Ref: #017-18

April 6, 2018

RECEIVED

APR 09 2018

LEGISLATIVE AUDIT DIV.

Angus Maciver, Legislative Auditor  
Legislative Audit Division  
Room 160, Capital Building  
Helena, Montana

Mr. Maciver:

On behalf of the State Parks and Recreation Board (the Board), I would like to take this opportunity to first thank your staff for their independent analysis of state park operations. The performance audit provides a good recap of the events and actions that have impacted state parks and board decisions. This report is providing timely input as we take steps to move forward and strengthen how we conduct business.

There are two recommendations directed at the Board. Other report recommendations are more appropriately directed at the Department of Fish, Wildlife, and Parks. We have not had the opportunity to discuss these recommendations as a board, but after informal discussions with board members, I feel confident in presenting our position on the audit recommendations as follows:

### **Recommendation #1**

**We recommend the Department of Fish, Wildlife, & Parks work in consultation with the State Parks and Recreation Board to clarify and document the role, duties, and powers of the State Parks and Recreation Board to ensure a clear delineation of authority between the board and the department, seeking legislation if necessary to better define the board's authority.**

The Board concurs with Recommendation #1. As a newly established board, the roles, duties, and powers are still evolving and adjusting to accommodate legislatively assigned duties and address the operational needs across the state. As the report points out, the Board has taken actions in the past that were assigned to the department. It is our intent to follow those duties that are clearly assigned to the Board and not take action on areas of responsibility for the department and/or other advisory boards and councils. In addition, there are additional areas of board authority where board duties and roles may need additional consideration. Although this audit report addresses areas primarily related to state park operations, the Board has also been assigned broad authority to provide direction and coordination

relating to outdoor recreation. The board role in these additional outdoor recreation areas are still being explored. As the Board collaborates with other recreational commissions, coalitions and advisors, additional changes in roles, duties and powers may be identified.

***Implementation Date: December 2019***

With the formation of the Parks In Focus Commission and the recent changes in the Board members, as well as department staffing changes, it is anticipated full implementation of this recommendation may take over a year. Parks In Focus Commission recommendations will be presented to the Board this fall (September/October 2018). If needed, proposed legislative changes would not be addressed until 2019. Finalizing any legislative actions would then occur after the completion of the legislative session.

### **Recommendation #6**

**We recommend the Department of Fish, Wildlife & Parks work with the State Parks and Recreation Board to strengthen the board's lands policy by:**

- A. Including resource availability and the division's ability to staff and maintain state parks as criteria for when a park may be transferred; and**
- B. Eliminating the conflict in the current policy between land transfer criteria and the assertion that the State Parks and Recreation Board will not close any parks.**

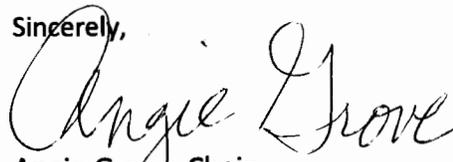
The Board concurs with both parts of Recommendation #6. It is imperative for the Board to establish clear and consistent criteria in all their policies, including those directed at land acquisitions and transfers to assure clear guidance for statewide operations. Including resource considerations and the commitment of future resources will also be key for Board decision making. Changes to board policies will be made to assure those considerations are incorporated. The Board also agrees that their policies should not include conflicting language or criteria. Steps will be taken to assure more consistency is provided. It is important to note that the current Board policy is Acquisition and/or Transfer of Interests in Land. Land transfer (rather than land disposal) is outlined as a management tool in those instances where identified lands may be more appropriately managed by other government entities for public recreation. There are no criteria in the current policy for "land disposal". Therefore, any policy changes with the land transfer criteria will be weighed against the factors that prompted the addition to the policy in 2017. That policy addition was made to formalize the Board's long-term commitment to assuring continued public access to outdoor recreational opportunities across our state park system and on FWP recreational lands. Continuing that commitment to accessibility will be a clear requirement for any changes to Board policy.

***Implementation Date: December 2019***

As noted earlier, there are several efforts underway to identify needed changes and improvements to state parks and recreation responsibilities assigned to the Board. Several areas have been identified as potential policy changes, updates, or new policies. The Board plans to make a coordinated effort to re-examine and strengthen these policies later this year. It is anticipated these efforts will require multiple Board meetings to finalize these efforts and assure public involvement in any and all changes.

The Board appreciates the opportunity to respond to these audit recommendations and looks forward to making the identified improvements in state park and recreation operations.

Sincerely,

A handwritten signature in cursive script that reads "Angie Grove". The signature is written in black ink and is positioned above the printed name and title.

Angie Grove, Chair  
State Parks and Recreation Board