

Operational Changes for State Attractions Could Yield \$1.9 Million Annually and Reduce Reliance on the State

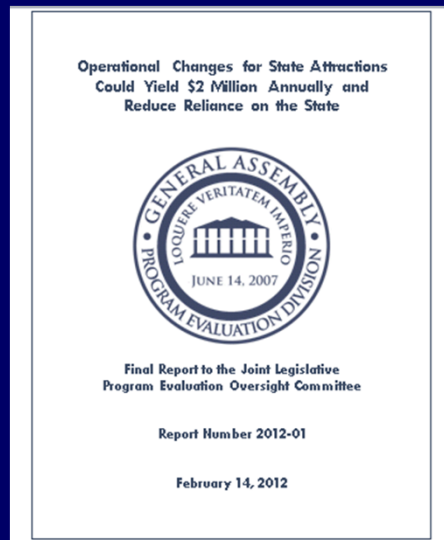
A presentation to the Joint Legislative Program Evaluation Oversight Committee

February 14, 2012

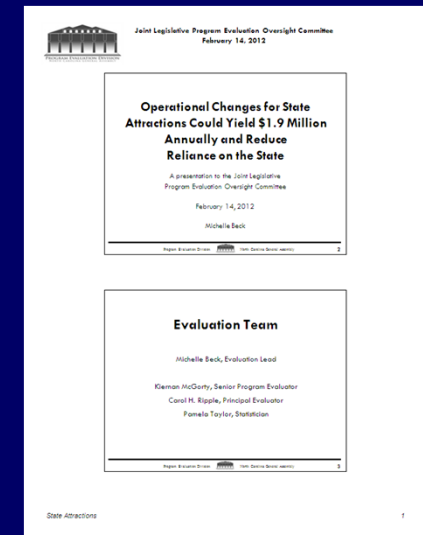
Michelle Beck

Handouts

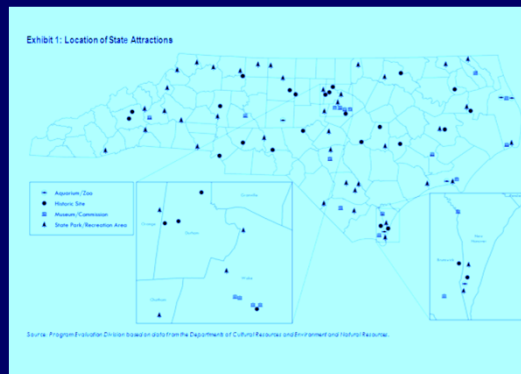
The Full Report



Today's Slides



Two Sided Handout



Evaluation Team

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Overview of Findings

- Cost savings and efficiency of site operations could be increased
- Consolidating attractions under one of the existing agencies would not enhance effective management nor result in cost savings

Overview of Recommendations

The General Assembly should direct the Department of Cultural Resources to

- implement coordinated site management at historic sites
- adopt a 5-day schedule for most historic sites
- close two sites
- expand public-private partnerships and fees to reduce reliance on state funds

Overview of Recommendations

- The General Assembly should direct the Department of Environment and Natural Resources to
 - coordinate park management across sites
 - record daily visitation data at all parks
 - adopt public-private partnerships with non-profits for the operations of the zoo and aquariums
 - expand public-private partnerships and fees to reduce reliance on state funds

Background



Tryon Palace Historic Sites and Gardens

Research Rationale

The General Assembly directed the Program Evaluation Division to review state attraction management

- review the operations of attractions to determine whether administration could be consolidated
- suggest optimal operating schedules for sites

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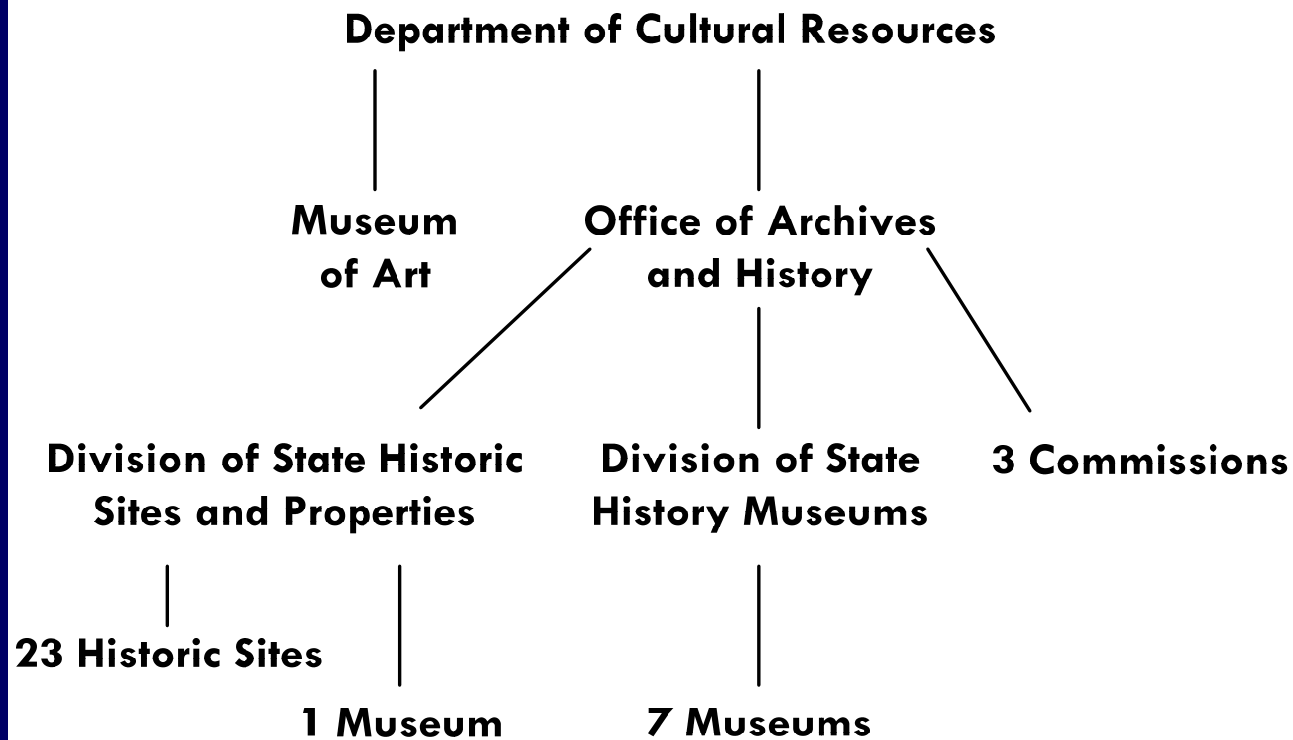
Data Sources

To conduct this review, the Program Evaluation Division examined the following data:

- cost and budget data
- site visits
- interviews and surveys
- a review of the administration of attractions in other states

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State Attractions Under DCR



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State Attractions Under DENR



Department of Environment and Natural Resources

Division of Parks
and Recreation

35 Parks,
4 Recreation Areas

3 Aquariums,
1 Pier

1 Zoo

2 Museums

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State Attractions Funding and Revenues

- General Assembly appropriated \$106.5 million to the sites in 2010–11
- Sites generated \$29.3 million in revenues in 2010–11
- Friends and support groups play an important role to sites
- Attractions generate other economic gains to the state and local economies

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Budget Reductions in FY 2011-12

- DCR eliminated 51 positions and transferred 23.5 positions to receipt funding due to \$3.2 million in attraction-related reductions
- DENR's attraction-related budget was reduced by \$4.1 million resulting in 33 positions eliminated from site operations and management

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Findings



Lake Waccamaw State Park

Finding 1.

Restructuring site-level management could increase efficiency and effectiveness of site operations



Historic Stagville



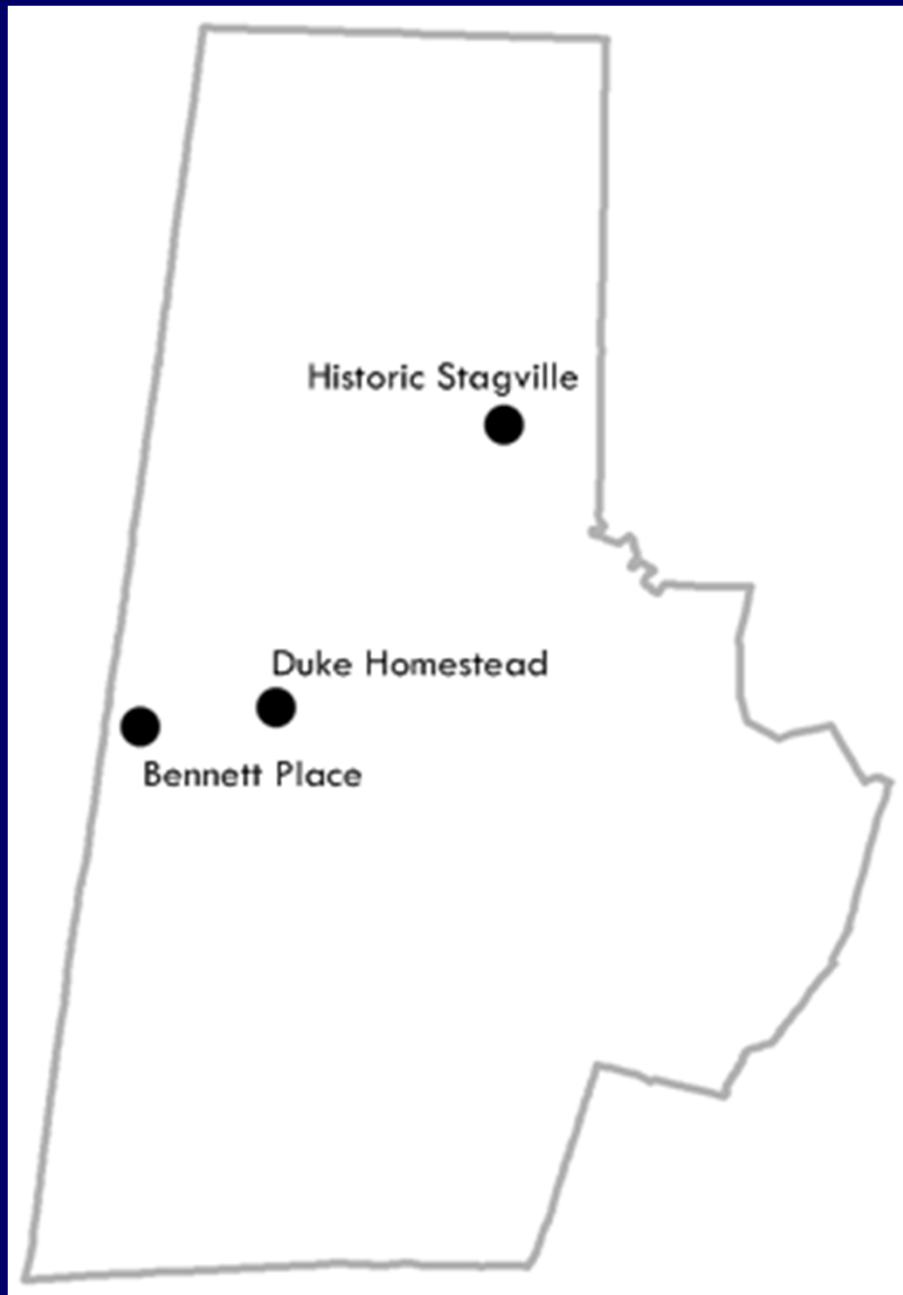
Singletary Lake State Park

Consolidated Site Management for Historic Sites and Parks

- Oversight for sites geographically close to one another could make more efficient use of existing positions and lead to staff reductions
- Other states use regional structures to combine day-to-day operational management

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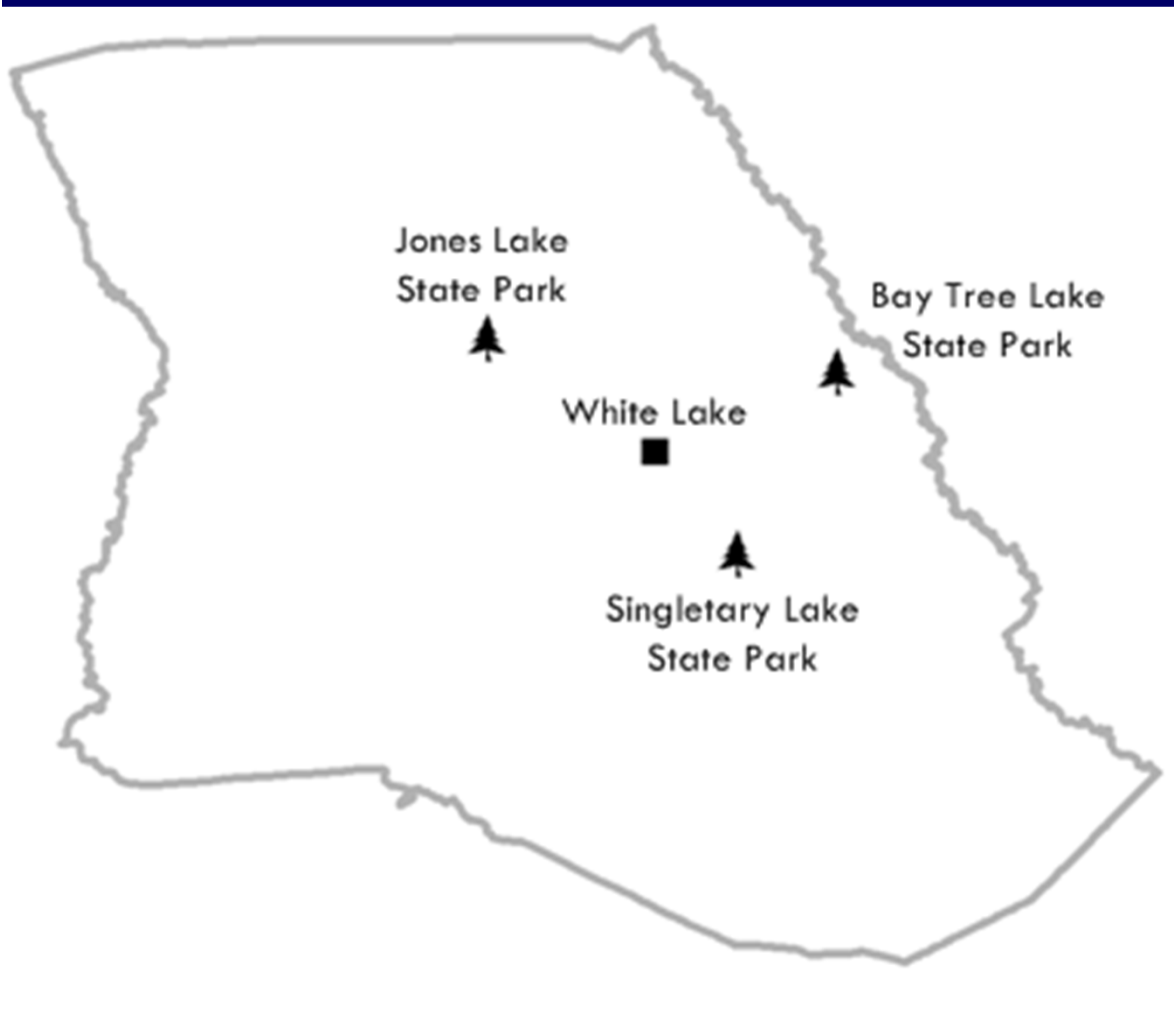
Example 1: Historic Sites in Durham County



- Three historic sites are within a 30-minute drive of one another in Durham County
- Eliminating 2 site manager positions would save \$92,100

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Example 2: State Parks in Bladen County



- Three parks and a lake located within 20 minutes of each other in Bladen
- Eliminating 1 superintendent would save \$58,100

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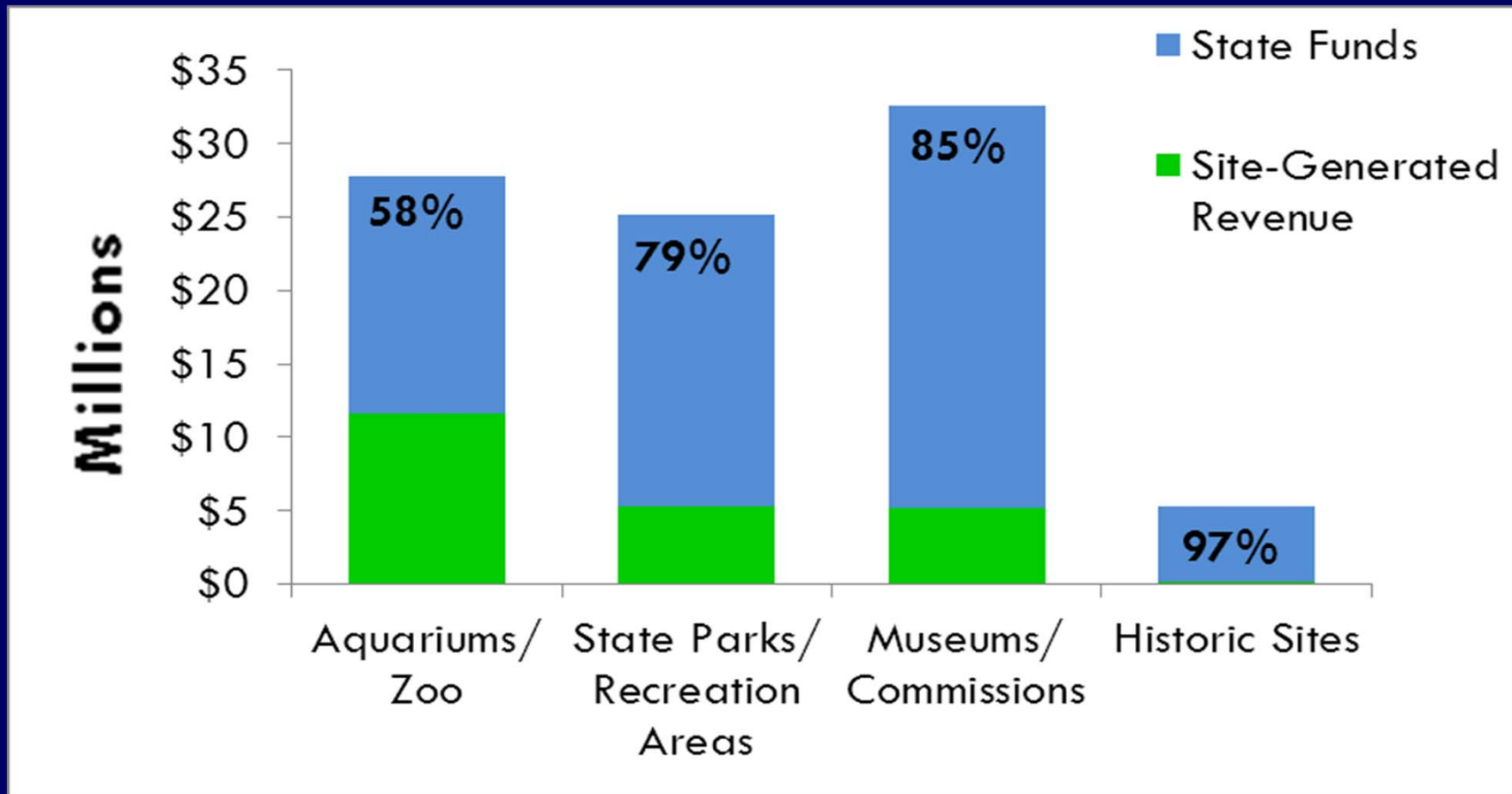
Finding 2.

Operational costs vary by site and changes to operating schedules or closure could yield cost savings



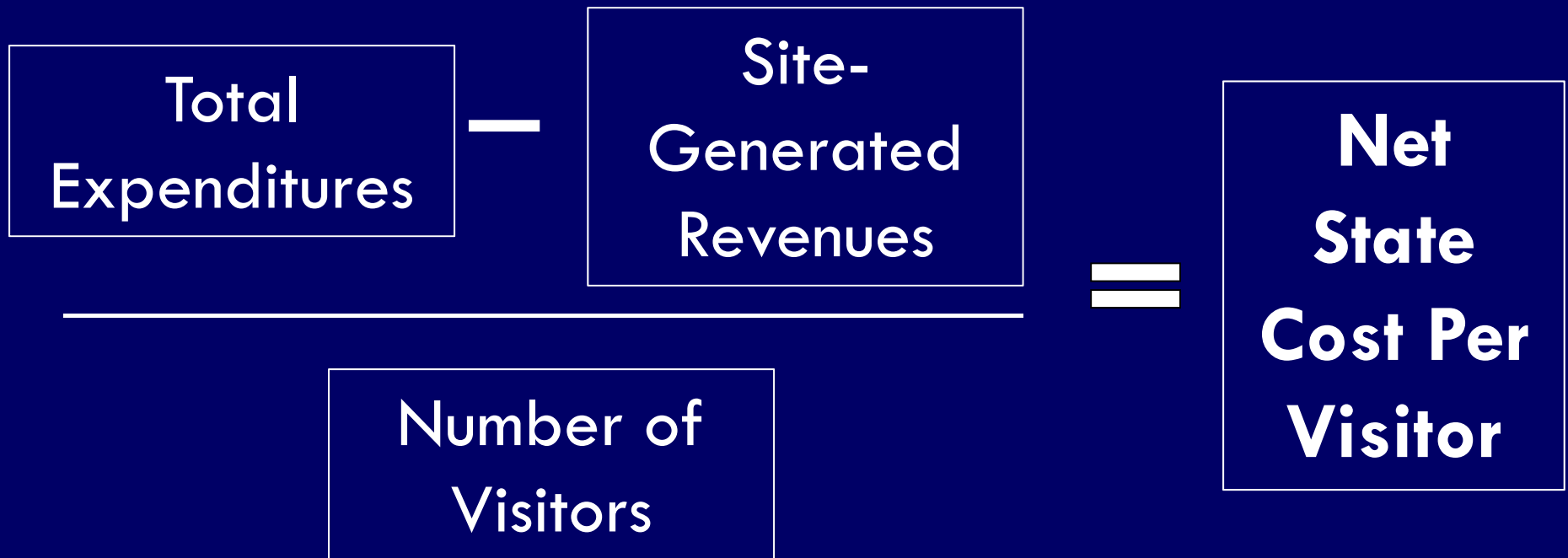
Pilot Mountain State Park

State Attractions Rely Mostly on State Funds for Site Operations



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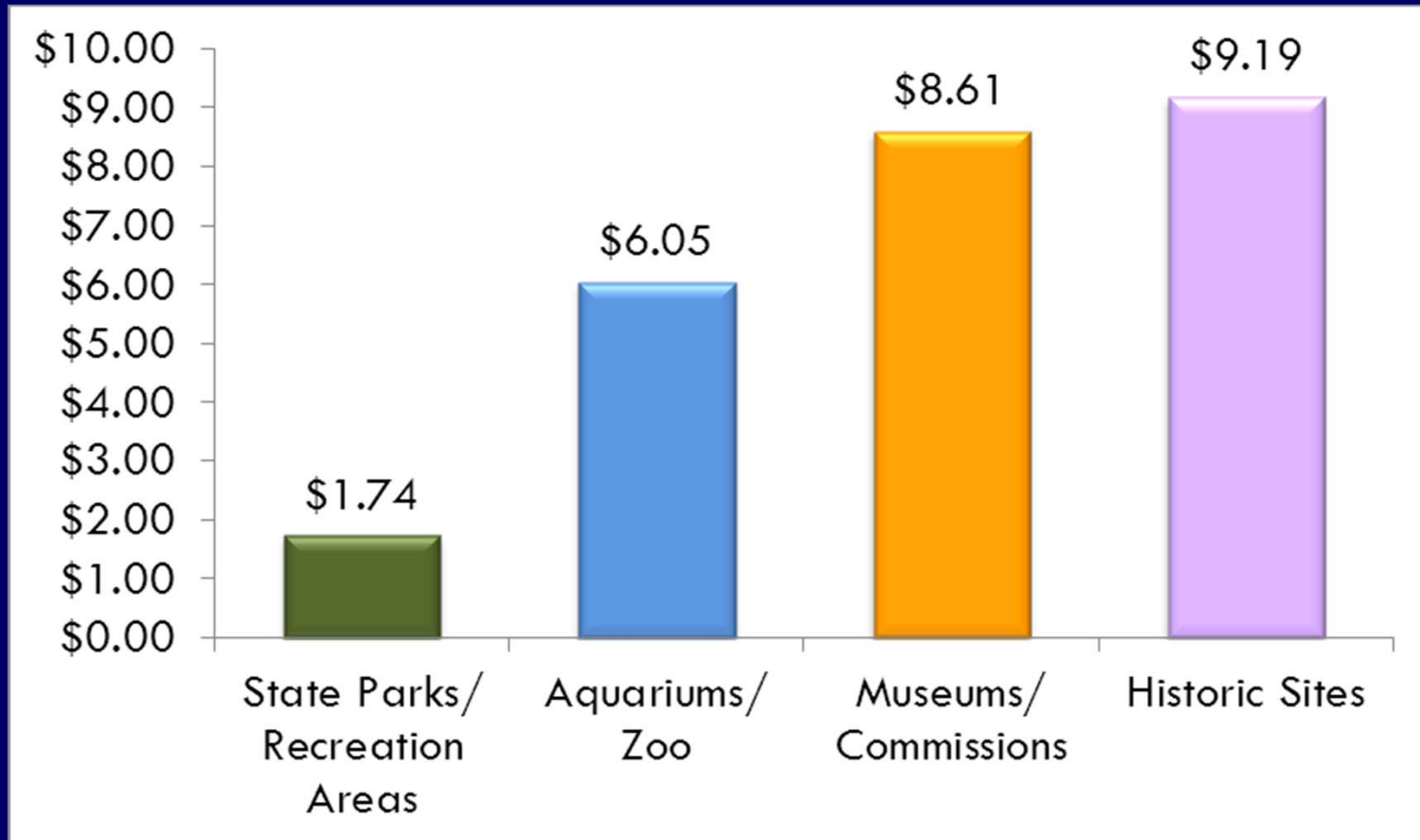
Calculation of Net State Cost Per Visitor



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Median FY 2010-11 Net State Cost per Visitor by Site Type



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Analysis of Net State Cost per Visitor and Annual Visitation

- Net state costs per visitor were compared within site type
- A statistical threshold identified which sites had net state costs above the average
- Visitation counts for each site were analyzed for daily and seasonal patterns

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Potential State Cost Reduction Mechanisms

Potential Operational Change	Potential Sites	Estimated Cost Savings
Operate on a 5-day schedule	7 Historic Sites	\$ 247,828
Close December – February	All State Parks	2,391,603
Close to the public and preserve artifacts (Mothball)	Museum of the Albemarle	738,243
Close entirely	Richard Caswell memorial after CSS Neuse relocates	Undetermined
	Estimated Annual Savings	\$ 3,377,674

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Finding 3.

Expanding fees and adopting public-private partnerships with non-profits would reduce reliance on state funding



Battleship North Carolina

Discounts on Fees Reduce Site Revenue

- The zoo, aquariums, Tryon Palace, NC Battleship, state parks and recreations areas offer senior discounts
- Discounts amounted to \$284,958 in FY 2010-11

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Public-Private Partnerships for State Attractions

- Corporate sponsorships, support groups, and public-private partnerships with non-profits for the zoo and aquariums could reduce reliance on state funds and improve operations



Albino Alligator at Fort Fisher Aquarium

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Finding 4.
**Consolidating attractions under
one of the existing agencies
would not enhance effective
management or result
in cost savings**

Limited Administrative Redundancy

- Only 2 positions were identified for elimination by consolidating state park and historic sites
 - Eliminating these 2 positions would save \$201,500 in recurring funds

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Sites have Distinct Management Objectives Based on Mission

- Agency mission or purpose is key to site management
- Sites purpose focuses more on research, education, and conservation than on being an attraction
- Any change in structure would need to be accompanied with a shift in agency mission

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Recommendations



North Carolina Museum of Natural Sciences

Recommendation 1.

Department of Cultural Resources

Recommendations for the Department of Cultural Resources

- Implement a coordinated management structure for historic sites in Durham County
- Analyze other historic sites that could adopt a coordinated management structure

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Recommendations for the Department of Cultural Resources

- Reduce days of operations for 7 historic sites
- Mothball the Museum of the Albemarle
- Close Richard Caswell Memorial
- Explore opportunities to develop and expand public-private partnerships and fees

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Estimated Savings for Department of Cultural Resources Recommendations

Recommended Operational Change for DCR	Estimated Cost Savings
Close Museum of the Albemarle	\$ 738,243
Close Richard Caswell Memorial	To be determined
Reduce seven historic sites to a five-day schedule	247,828
Coordinate management of historic sites in Durham County	92,100
Total Estimated Cost Savings	\$ 1,078,171

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Recommendation 2.

Department of Environment and Natural Resources

Recommendations for the Department of Environment and Natural Resources

- Implement a coordinated management structure for the state parks in Bladen County
- Analyze other state parks and recreation areas that could adopt coordinated management

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Recommendations for the Department of Environment and Natural Resources

- Record daily visitation counts for state parks and recreation areas
- Use the data to determine potential changes to daily or seasonal operations
- Validate the number of visitors per car

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Recommendations for the Department of Environment and Natural Resources

- Adopt public–private partnerships with non-profits for the operations of the zoo and aquariums
- Explore opportunities to develop and expand public–private partnerships and fees

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Estimated Savings for Department of Environment and Natural Resources Recommendations

Recommended Operational Change for DENR	Estimated Cost Savings
Coordinate management in Bladen County	\$ 58,100
Partnership with non-profit for zoo operations	800,000
Total Estimated Cost Savings	\$ 858,100

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Summary of Findings

- Cost savings and efficiency of site operations could be increased by
 - restructuring site-level management
 - closing sites partially or entirely
 - expanding fees
 - adopting public-private partnerships
- Consolidating attractions under one of the existing agencies would not enhance effective management nor result in cost savings

Summary of Recommendations

- The General Assembly should direct the Department of Cultural Resources to
 - implement coordinated site management at historic sites
 - adopt a five-day schedule for most historic sites
 - close two sites
 - expand public-private partnerships and fees to reduce reliance on state funds

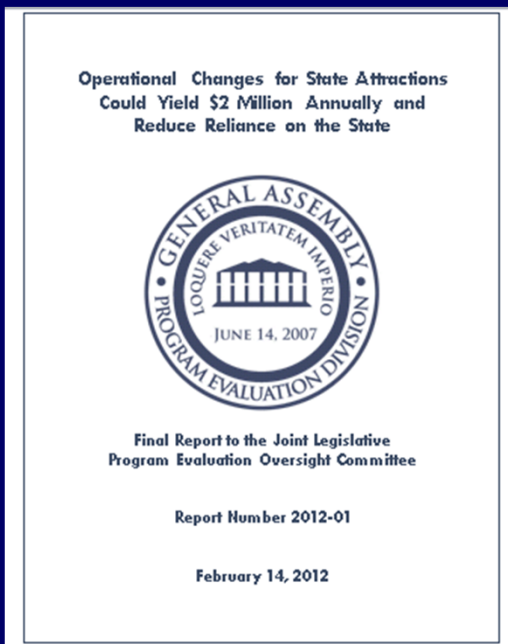
Summary of Recommendations

- The General Assembly should direct the Department of Environment and Natural Resources to
 - coordinate park management across sites,
 - record daily visitation data at all parks to determine potential savings from daily or seasonal closure,
 - adopt public-private partnerships with non-profits for the operations of the zoo and aquariums, and
 - expand public-private partnerships and fees to reduce reliance on state funds.

Legislative Options

- The committee may endorse any of these recommendations for action
- May instruct staff to draft legislation or take other actions

**Report available online at
www.ncleg.net/PED/Reports/reports.html**



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