

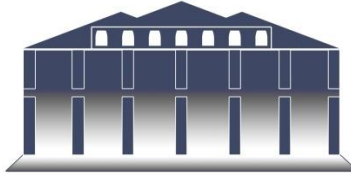
**Operational Changes for State Attractions
Could Yield \$2 Million Annually and
Reduce Reliance on the State**



**Final Report to the Joint Legislative
Program Evaluation Oversight Committee**

Report Number 2012-01

February 14, 2012



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John W. Turcotte
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February 14, 2012

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Representative Julia Howard, Chair, Joint Legislative Program Evaluation Oversight Committee

North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, NC 27601

Honorable Co-Chairs:

Session Law 2011-145, Section 22.1.(a) directed the Program Evaluation Division to review the operations of state attractions in North Carolina to determine whether administration could be consolidated and to suggest optimal operating schedules for sites. The attractions included in the scope of this evaluation were specified in the study mandate and are administered by two agencies: the Department of Cultural Resources (23 state historic sites, 3 commissions, the North Carolina Museum of Art, and 8 other museums) and the Department of Environment and Natural Resources (39 state parks and recreation areas, 3 aquariums, Jennette's Pier, the North Carolina Zoological Park, the North Carolina Museum of Natural Sciences, and the North Carolina Museum of Forestry).

I am pleased to report that the Department of Cultural Resources and the Department of Environment and Natural Resources cooperated with us fully during the evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Turcotte".

John W. Turcotte
Director



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

February 2012

Report No. 2012-01

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

Summary

The General Assembly directed the Program Evaluation Division to review state attraction management to determine whether administration could be consolidated and to suggest optimal operating schedules for sites. Sites included in this review were administered by the Department of Cultural Resources (23 state historic sites, nine museums, and three commissions) and the Department of Environment and Natural Resources (39 state parks and recreation areas, three aquariums, Jennette's Pier, the North Carolina Zoological Park, the North Carolina Museum of Natural Sciences, and the North Carolina Museum of Forestry).

Cost savings and efficiency of site operations could be increased by restructuring site-level management, closing sites partially or entirely, expanding fees, and adopting public-private partnerships with non-profit entities. Shared maintenance, staffing, and oversight for sites located close to one another could increase efficient use of existing positions and lead to staff reductions. Visitation analysis identified sites with significantly lower visitation, suggesting possible closure on days of the week, seasons, or completely. Adopting public-private partnerships with non-profits for zoo and aquarium operations and pursuing corporate sponsorship would reduce reliance on state funds. Potential savings are estimated at \$1.9 million in recurring funds, as shown in Exhibits 14 (page 29) and 15 (page 32).

Consolidating attractions under one of the existing agencies would not enhance effective management nor result in cost savings. Analyses indicated potential savings of \$201,500 would be outweighed by the cost of consolidating management and oversight of state attractions.

To address these findings, the General Assembly should direct

- the Department of Cultural Resources to coordinate site management at historic sites, adopt a five-day schedule for most historic sites, close two sites, and expand public-private partnerships with non-profits and fees to reduce reliance on state funds; and
- the Department of Environment and Natural Resources to coordinate park management, 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.

Purpose and Scope

The North Carolina General Assembly directed the Program Evaluation Division to review state attraction management in North Carolina.¹ The legislation tasked the division with reviewing the operations of attractions to determine whether administration could be consolidated and to suggest optimal operating schedules for sites. The attractions included in the scope of this evaluation were specified in the study mandate and are administered by two agencies: the Department of Cultural Resources (23 state historic sites, 3 commissions, the North Carolina Museum of Art, and 8 other museums) and the Department of Environment and Natural Resources (39 state parks and recreation areas, 3 aquariums, Jennette's Pier, the North Carolina Zoological Park, the North Carolina Museum of Natural Sciences, and the North Carolina Museum of Forestry).²

Several types of attractions were not specified in the legislation and therefore were not included in this evaluation: state natural areas, educational forests, wildlife education centers, the State Fairgrounds, the Indian Cultural Center, arboretums, and museums operated by the University of North Carolina System that were part of academic units or funded with donations. In addition, funding and visitation counts for the Southeastern Center for Contemporary Art were removed from the North Carolina Museum of Art's data and not included in this evaluation.

Four research questions were addressed in this review:

1. How are state attractions administered in North Carolina?
2. What are the operational characteristics of state attractions?
3. How are state attractions administered in other states?
4. What is the most efficient and effective way for North Carolina to operate and administer its state attractions?

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

- 2010–11 site- and agency-level expenditures and revenue from all sources;
- Fiscal Year 2011–12 budget data;
- site-level reporting;
- interviews with administrators and stakeholders;
- site visits; and
- a review of the administration of attractions in other states.

Background

Although the legislation mandating this evaluation directed the review of state attractions, the term “attractions” is not used by the administering agencies to describe the sites of interest. Nonetheless, these sites can be described by a common definition developed by the Program Evaluation Division: a physical place supported with state funds that offers cultural, educational, historical, or recreational opportunities.

¹ NC Sess. Laws, 2011-145, Section 22.1.(a).

² The Department of Cultural Resources reported 27 historic sites, but the Program Evaluation Division classified the Transportation Museum as a museum and North Carolina Battleship, Roanoke Island Festival Park, and Tryon Palace as commissions for this evaluation.

The sites included in the scope of this review include historical sites such as Civil War battlefields, a gold mine, a railroad facility, a prehistoric Indian mound, and colonial villages. Museums provide visitors information about the State's history and culture. The 39 state parks and recreation areas cover 156,123 acres and offer amenities including picnic shelters, hiking trails, rock climbing, horseback riding, fishing, boat rentals, mountain biking, and camping. The three aquariums and the zoo provide opportunities to see and learn about a variety of aquatic and animal species. As shown in Exhibit 1, these attractions are located across the State. (From here on, the term 'state attractions' refers only to the sites included in the evaluation's scope; see Appendix A for a full listing of these sites.)

The legislation directing this review questions the best way to administer these state assets. In light of current budgetary challenges, this review also provided an opportunity to examine the State's role in owning and operating state attractions. Whereas these assets arguably represent historical, cultural, and natural sites that are important to North Carolina, a review of operations could yield opportunities for better efficiency and effectiveness.

State attractions rely on state appropriations to fund administration and operating expenses. In Fiscal Year 2010–11, the General Assembly appropriated \$106.5 million to the sites,³ and the sites generated \$29.3 million in revenues.⁴ Most historic sites, museums, and parks do not charge admission, so state funding covers most of the operating costs to keep these attractions open to the public.⁵

Attractions contribute to the North Carolina economy. Tourism is one of the State's largest industries, and it generates substantial revenue. According to the Department of Commerce, each North Carolina household saved \$390 annually in state and local taxes as a result of that revenue. Studies have shown economic gains to communities with attractions from visitor purchases of groceries, restaurant meals, recreational equipment and supplies, shopping, lodging, and automobile expenses. Although how much state attractions as a whole contribute to tourism income is unknown, they do attract visitors from within North Carolina and from other states. The following provide examples of the economic impact of tourism from the State's largest attractions:

- The North Carolina Museum of Art's "Monet in Normandy" exhibit generated almost \$24.3 million dollars in tourism revenue in 2006.⁶
- The economic impact of the North Carolina Zoological Park was \$146.5 million in expenditures for 2011.⁷

³ This amount includes \$28.8 million appropriated to the Department of Cultural Resources (DCR) for administration and operation of its sites open in 2010 and \$77.7 million to the Department of Environment and Natural Resources (DENR) for administration and operation of its sites (excluding the zoo) open in 2010.

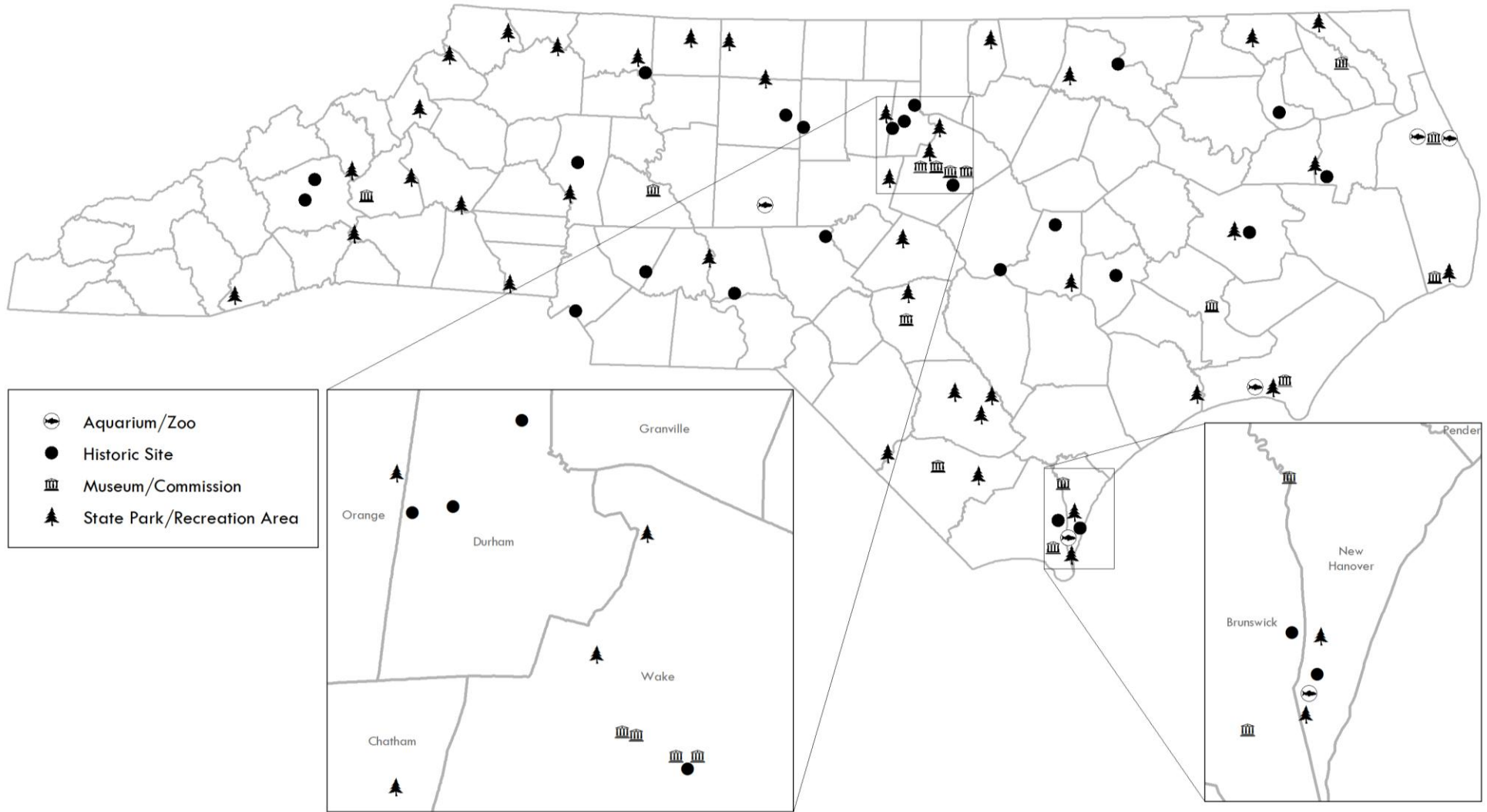
⁴ DCR sites generated \$5.2 million in revenues, and DENR sites generated \$24.1 million.

⁵ Besides state appropriations, some attractions are supported with fees. Sites also have support groups, or Friends Groups, that may serve an advisory role, provide volunteer staff, and/or spearhead fund-raising efforts.

⁶ Greater Raleigh Convention and Visitors Bureau, January 23, 2007 News Release.

⁷ AECOM (August, 2011). *Economic and Fiscal Impact Analysis for North Carolina Zoo Expansion and Peripheral Land Development*.

Exhibit 1: Location of State Attractions



Source: Program Evaluation Division based on data from the Departments of Cultural Resources and Environment and Natural Resources.

In addition to generating tourism, attractions play a role in fulfilling the aims of the State. Article XIV of the North Carolina Constitution provides the State will

...conserve and protect its lands and waters for the benefit of all its citizenry...to control and limit the pollution of our air and water, to control excessive noise, and in every other appropriate way to preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, open lands, and places of beauty.

The two departments that administer state attractions—the Department of Cultural Resources (DCR) and the Department of Environment and Natural Resources (DENR)—echo this emphasis in their missions and related goals (see Exhibit 2). State attractions, then, are perceived as integral to fulfilling legally stated state aims and contributing to the state economy.

Exhibit 2: Missions and Attraction-Related Goals of Departments that Oversee State Attractions

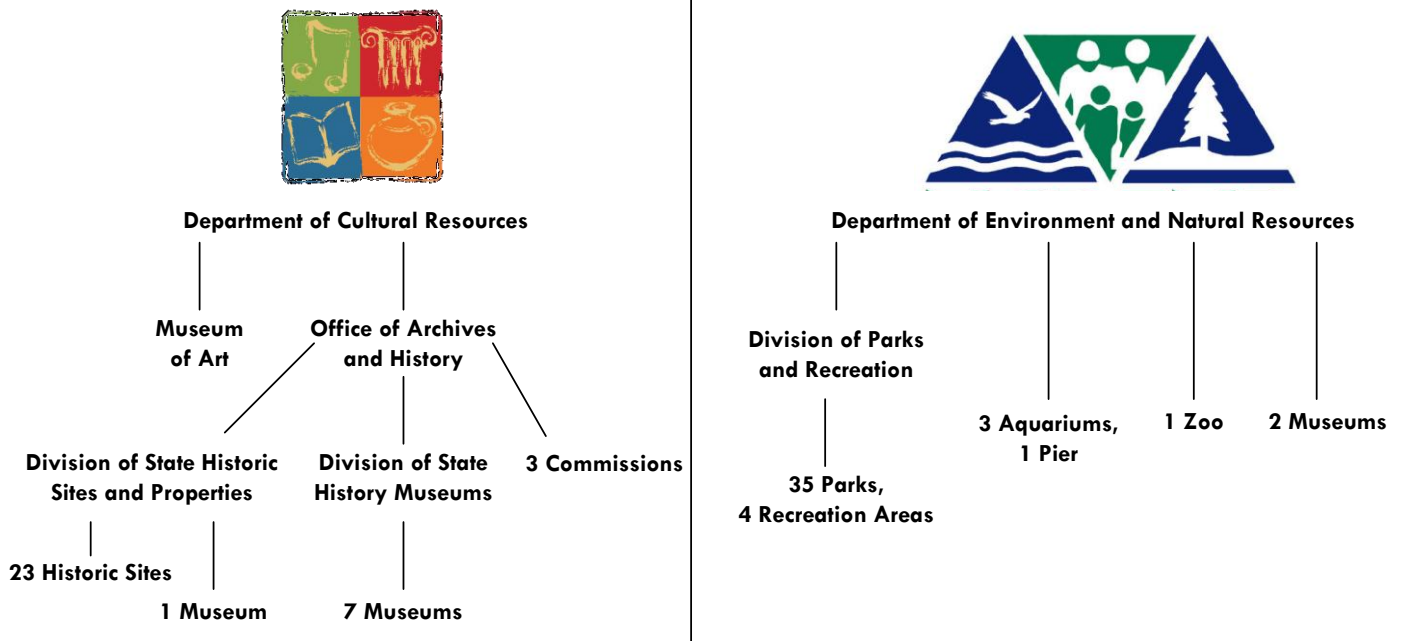
Department	Department Mission	Attraction-Related Goals
Department of Cultural Resources	To enrich lives and communities, creating opportunities to experience excellence in the arts, history, and libraries in North Carolina that will spark creativity, stimulate learning, preserve the state’s history, and promote the creative economy.	<p>Goal 2: Expand education resources available to North Carolina teachers and students through access to the state’s cultural and historical programs and services.</p> <p>Goal 5: Preserve and protect North Carolina’s historical and cultural resources and sites and ensure adequate capital assets.</p>
Department of Environment and Natural Resources	To conserve and protect North Carolina’s natural resources and to maintain an environment of high quality by providing valuable services that consistently support and benefit the health and economic well-being of all citizens of our state.	Goal 7: Enrich the quality of citizens’ visits to attractions by further developing the services within our museum, zoo, aquariums, state parks, coastal reserves, and state forests. Create a memorable visitor experience that fosters awareness of environmental stewardship in a manner that is efficient, effective, and ensures value.

Source: *The Departments of Cultural Resources and Environment and Natural Resources.*

The state-level administration of attractions in DCR and DENR is shown in Exhibit 3. Within DCR’s Office of Archives and History, the Division of State Historic Sites and Properties administers 23 historic sites and the North Carolina Transportation Museum; the Division of State History Museums oversees 7 museums. The director of the North Carolina History Museum reports directly to the Deputy Secretary of DCR. The three commissions—the North Carolina Battleship, Tryon Palace, and Roanoke Island Festival Park—also are self-administered.

DENR administers all state parks, recreation areas, aquariums, the North Carolina Museum of Natural Sciences, and the zoo. The department’s Division of Parks and Recreation has state-level administrative staff and has assigned regional staff to administer operations for parks and recreation areas in four geographical districts. The three aquariums and Jennette’s Pier have shared administrative staff that coordinate operations for these sites. Directors of the aquariums, Museum of Natural Sciences, and zoo report directly to the Chief Deputy Secretary of DENR. The director of the state parks reports directly to the Assistant Secretary for Natural Resources of DENR.

Exhibit 3: State-Level Administration of State Attractions



Source: Program Evaluation Division based on data from the Departments of Cultural Resources and Environment and Natural Resources.

North Carolina has owned and has continued to acquire state attractions for more than a century. The oldest state attraction in this evaluation is the North Carolina Museum of Natural Sciences, which opened in 1879.⁸ Since then, most state attractions have been acquired through donations and state purchases. For example, Town Creek Indian Mound became the first state-owned historic site when it was donated in 1937. It is among 8 of the 23 historic sites that have been donated to the State; another 11 were purchased, and 4 were acquired with a combination of state and donated funds.

The State purchased Mount Mitchell State Park in 1916 and created 11 more state parks through donations of land from 1924 through 1962. Between 1968 and 1982, the state park system purchased 11 sites and another 6 were donated. Since 1986 the state has purchased 10 park sites; most recently, the State purchased Grandfather Mountain State Park in 2009. Over the years, all but seven parks have increased in size, most through additional land purchases by the State.

Built on donated land, the North Carolina Zoological Park opened in 1971. The aquariums opened in 1976 and Jennette’s Pier—the State’s newest attraction—opened in 2011. All were built on donated land except Fort Fisher Aquarium, which was built on land that was part of the Fort Fisher Recreation Area.

Budget reductions in Fiscal Year 2011–12 affected state attractions. DCR eliminated 51 positions from sites and site administration and transferred an additional 23.5 positions to receipt funding due to attraction-related departmental budget reductions of \$3.2 million. As a result, DCR has

⁸ The State has owned the property of the State Capitol since 1791, which became part of the historic site system in 2002.

- reduced or outsourced services;
- reduced educational programs and outreach;
- reduced operating hours at some of its sites; and
- reorganized state-level administration for historic sites into two, rather than three, regions to accommodate the loss of administrative staff.

In Fiscal Year 2011–12, DENR’s attraction-related budget was reduced by \$4.1 million. DENR subsequently eliminated 33 positions from site operations and management, including

- park rangers,
- maintenance mechanics,
- office assistants,
- a stock clerk,
- a curator,
- zoo grounds workers, and
- exhibit staff.⁹

Budget reductions for state parks coincided with an increase in visitation, which has increased the ranger-to-visitor ratio from 59,746 visitors for each ranger in 2008 to 68,599 visitors per ranger in 2010. In addition, the operating budget appropriation for the aquarium was reduced by \$2 million with funds from admission fees to be used to meet operating costs.

Administrators from both departments reported budget reductions have reduced their ability to respond to repair and maintenance needs at sites, and further reductions would result in a reduction of site operations. Some sites would be closed permanently, and others might be “mothballed”—closed to public access with site artifacts stored away in an appropriate manner.¹⁰

In sum, state attractions are intended to add cultural, educational, and recreational value to the citizens of North Carolina, promote tourism, and uphold the aims of the State Constitution and the agencies that operate them. The legislation directing this evaluation requested a review of administration and operations, a request that is especially timely as the agencies are faced with budget reductions.

Findings

Finding 1. Restructuring site-level management could increase efficiency and effectiveness of site operations.

Reductions in site-level administrative staff could generate savings. Specifically, shared oversight for sites geographically close to one another could make more efficient use of existing positions and lead to staff reductions.

Historic sites and parks are administered by divisions within their respective agencies, and each agency uses regional structures to manage sites—two

⁹ Positions were eliminated across all types of DENR attractions except the aquariums.

¹⁰ DCR estimated the cost of operating a mothballed historic site would be approximately 20–33% of the cost of operating a historic site or museum open to the public.

regions for historic sites, each with a regional supervisor, and four regions for parks, with a regional supervisor for each. The regional structures provide a means to share resources and coordinate work among sites. For example, among historic sites

- staff from other historic sites within the region helped stage a Civil War reenactment at Bentonville Battlefield;
- the regional structure facilitated an immediate response to storm damage at Roanoke Island Festival Park in the summer of 2011, when staff within the region were readily available to assist; and
- staff coordinate educational programs for visitors and training for staff among regional sites.

Other states use regional structures to combine day-to-day operational management. Ohio State Parks has 26 regions, each with a main park surrounded by two to five smaller satellite parks. Some of the satellite parks do not have dedicated full-time staff but rather are operated through staff rotations from the main park. Staff from one region reported increased coordination on some tasks, including ordering supplies and materials, sharing equipment, widening the range of activities at public programs and special events, increasing visitation and referrals to other parks, and consistently training site staff.

In its 2011 review of state park efficiency, Utah's Office of the Legislative Auditor General recommended consolidating park manager positions as one strategy to reduce expenditures.¹¹ In addition to reducing management staff, consolidating management was identified as a way to allow the multi-site managers to focus exclusively on management and to leave day-to-day tasks to staff at each site. The Utah report identified similar management consolidation across parks in Arizona, Colorado, and Idaho and recommended the Utah Division of Parks and Recreation evaluate management needs and consolidate positions where feasible.

One strategy to evaluate staffing patterns examines the ratio of site management to full-time site staff, or span of control. This measure, which informed the Utah report findings, helps determine where efficiencies could be gained by increasing the number of staff per director. The span of control for North Carolina's historic sites ranged from 1 to 7 full-time equivalent positions per manager, with an average of 3.4. North Carolina's parks averaged 9 full-time equivalent positions per manager and had a span of control range from 2 to 31.

In addition to span of control, another way to identify opportunities to increase management efficiency examines sites within site type that are located close to one another. With regional structures already in place in North Carolina, a logical step toward increasing efficiency would be to consolidate management within historic sites and within state parks that are located close to each other. Basic operations would require on-site staffing, but one director or supervisor could oversee multiple sites. The following examples identified by the Program Evaluation Division are suggested as

¹¹ Office of the Legislative Auditor General, State of Utah. (January 2011). *A Performance Audit of Utah State Parks*. (Report No. 2011-03).

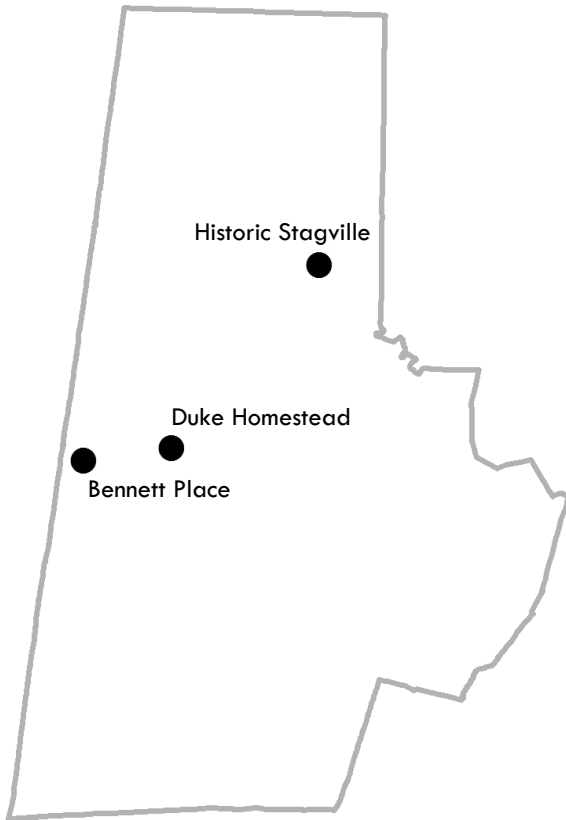
models for site-level management consolidation. Evaluators visited each location and recorded driving distances between sites (see Exhibit 4).

- Three historic sites are within a 30-minute drive of one another in Durham County: Bennett Place, Duke Homestead, and Historic Stagville.
- Three parks and a lake located in Bladen County—Jones Lake State Park, Bay Tree State Park, Singletary State Park, and White Lake—are located within 20 minutes of each other.

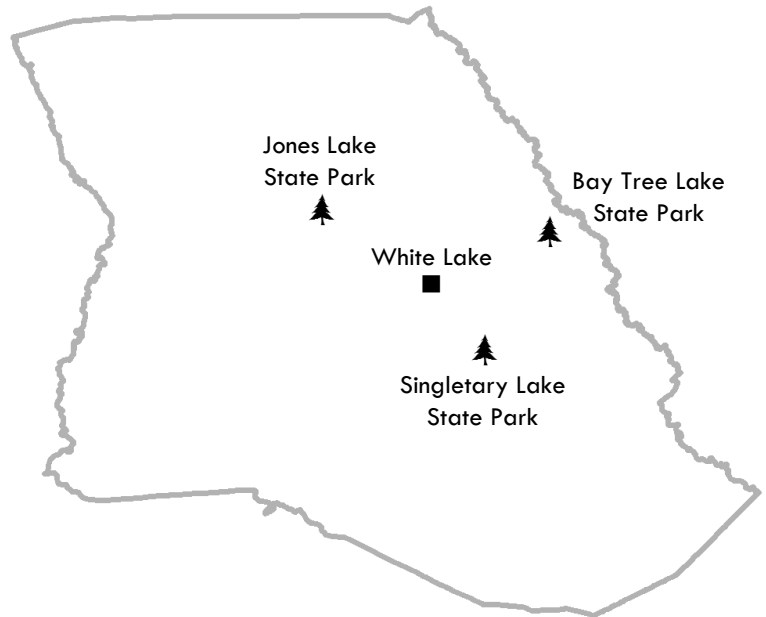
If management were consolidated for both of these cases, two historic site managers and one park superintendent position could be eliminated for an estimated total recurring savings of \$150,195.¹²

Exhibit 4: Closely Located Historic Sites in Durham County and State Parks in Bladen County

Historic Sites in Durham County



State Parks in Bladen County



Note: White Lake in Bladen County is completely surrounded by private property, but the lake bed is state property. Staff at Singletary Lake State Park administer permits and monitor White Lake and Bay Tree Lake.

Source: Program Evaluation Division based on data from the Departments of Cultural Resources and Environment and Natural Resources.

The Division of Parks and Recreation already consolidates site-level management in some cases. DENR reports park staff is responsible for public safety, boundary management, educational uses, and management of natural and cultural resources at “satellite” sites—state natural areas, state lakes, state rivers, and state trails—while based at a nearby park. This arrangement has also been used for newly created state parks such as

¹² Estimated savings are based on the average salary and benefits of site-level managers.

Lake Waccamaw State Park, Dismal Swamp State Park, and Fort Fisher Recreational Area.

Finding 2. Operational costs vary by site and changes to operating schedules or closure could yield cost savings.

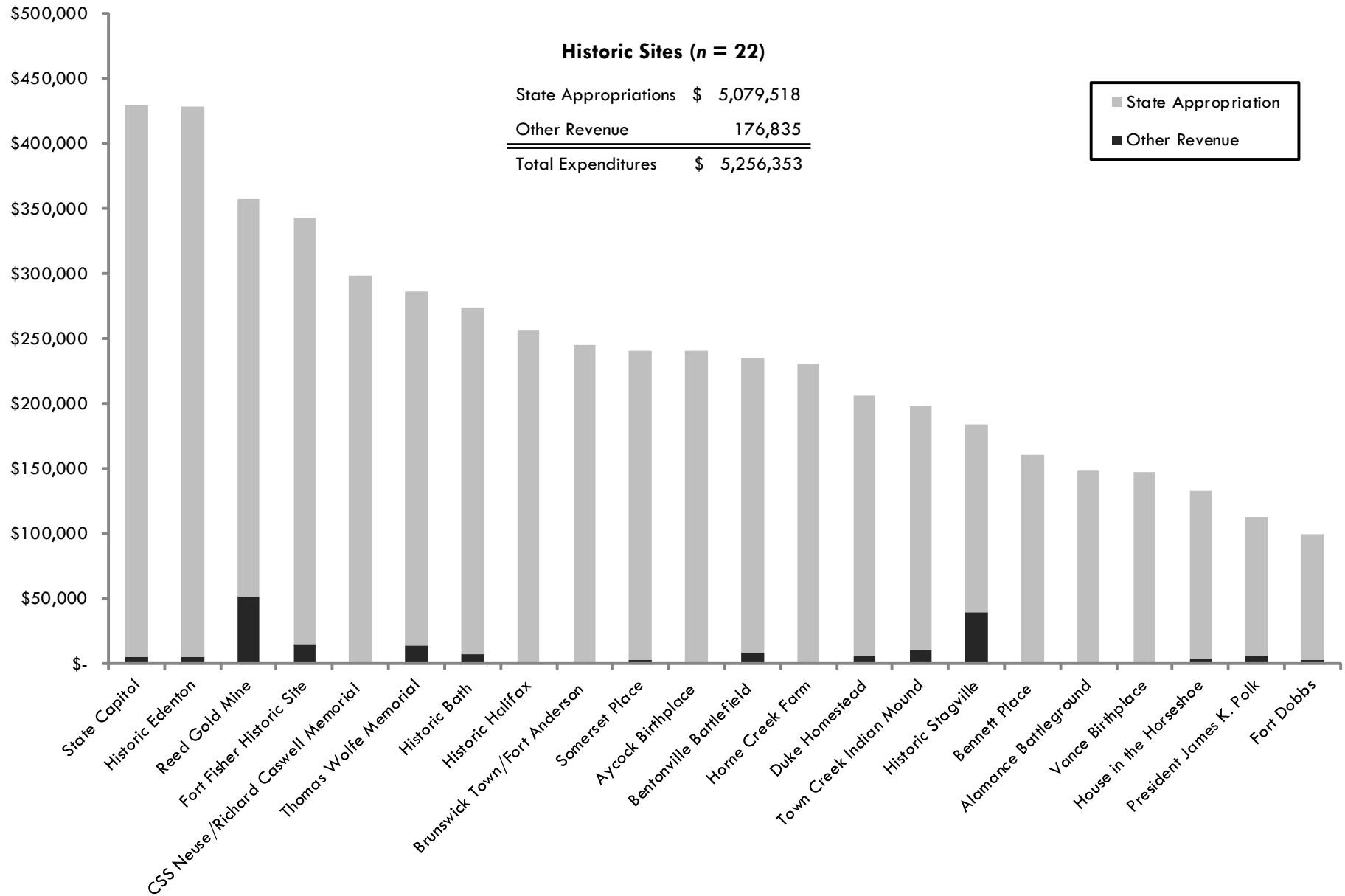
The cost of operating state attractions varies widely across different types of within sites. Exhibits 5 through 7 show Fiscal Year 2010–11 expenditures for historic sites, parks/recreation areas, museums/commissions, and aquariums/zoo, respectively. Expenditures for each site are broken down by state appropriations and site-generated revenue (see Appendix B for more detail on site expenditures and revenue). As shown in the following exhibits,

- historic sites had \$5.3 million in total expenditures, with 97% from state funds;
- state parks and recreation areas had \$25.2 million in expenditures, with 79% from state funds;
- museums and commissions had \$34.6 million in expenditures, with 85% from state funds; and
- aquariums and the zoo had \$27.8 million in expenditures, with 58% from state funds.

Friends and support groups affiliated with state attractions play an important role in providing additional funding to sites, which is not represented in the graphs because it is not part of the state accounting system. Financial support in Fiscal Year 2010–11 varied across sites:

- Small historic sites received \$2,000–\$7,000 for artifact purchases, exhibit development, and programming.
- The North Carolina Museum of Art received \$13.8 million in support from the Foundation and Art Society, which is almost twice the amount of its state appropriation.
- The Museum of History Foundation and Associates contributed \$388,840 for operations, plus the Foundation provided \$837,003 for capital expenditures related to exhibit development and restaurant construction.
- Tryon Palace received nearly \$2 million for operating expenses from the Tryon Palace Commission, Council of Friends, stores, and the Kellenberger Historical Foundation.
- State parks received private donations of up to \$20,000 to support special events, educational programs, and equipment such as life jackets, biological survey equipment, construction supplies, and taxidermy mounts for exhibits.
- Friends of the North Carolina Museum of Natural Sciences raised more than \$5 million for educational programs, research, and construction of the new wing, and administered another \$947,000 in federal grants.

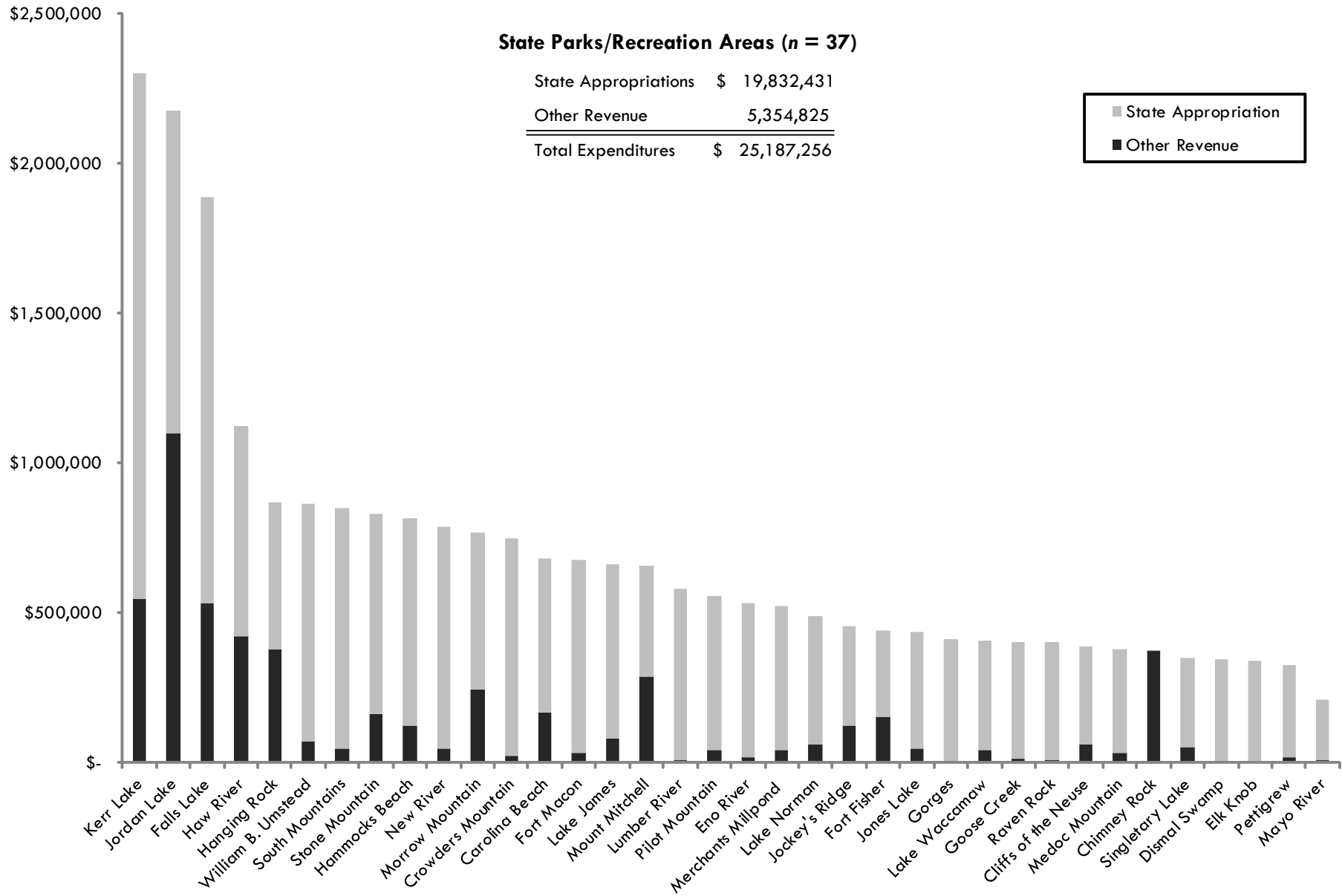
Exhibit 5: Expenditures for Historic Sites, Fiscal Year 2010-11



Note: There are 22 historic sites because Charlotte Hawkins Brown Memorial was not in operation in 2010.

Source: Program Evaluation Division based on data from the Office of the State Controller and the Department of Cultural Resources.

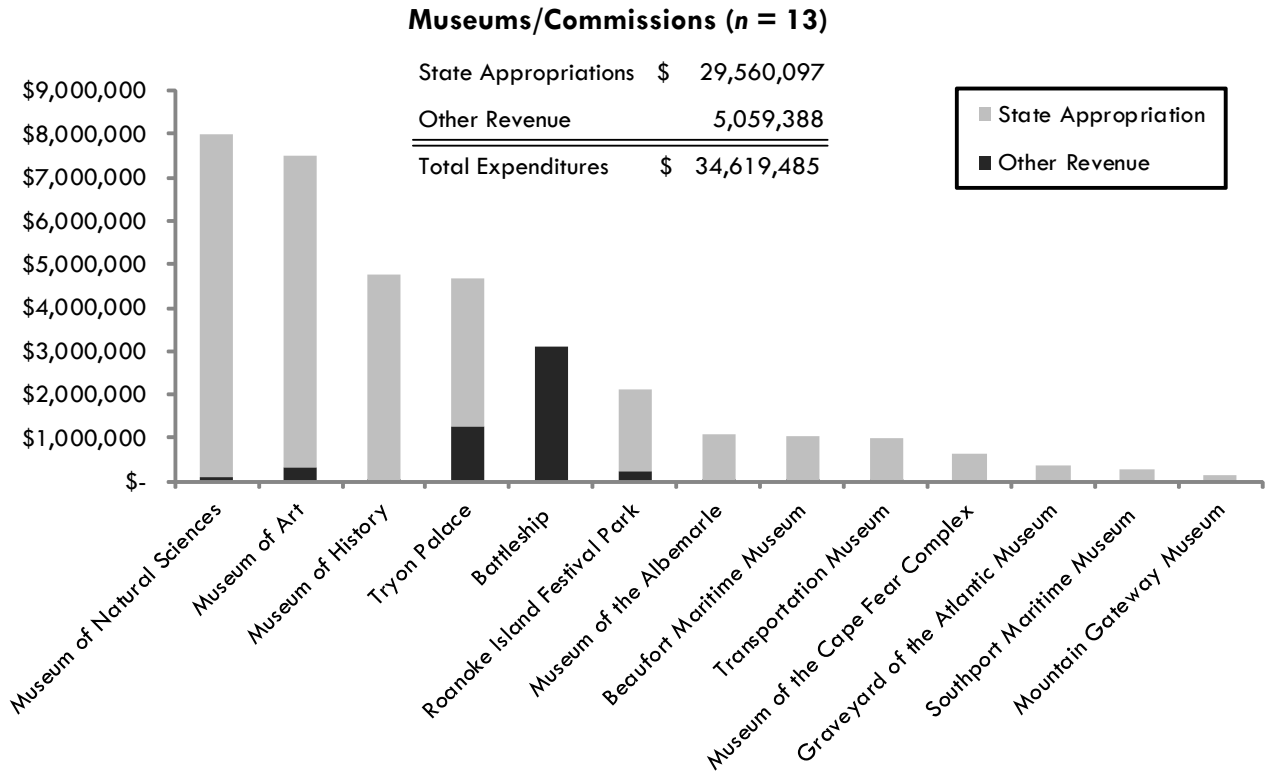
Exhibit 6: Expenditures for State Parks/Recreation Areas, Fiscal Year 2010-11



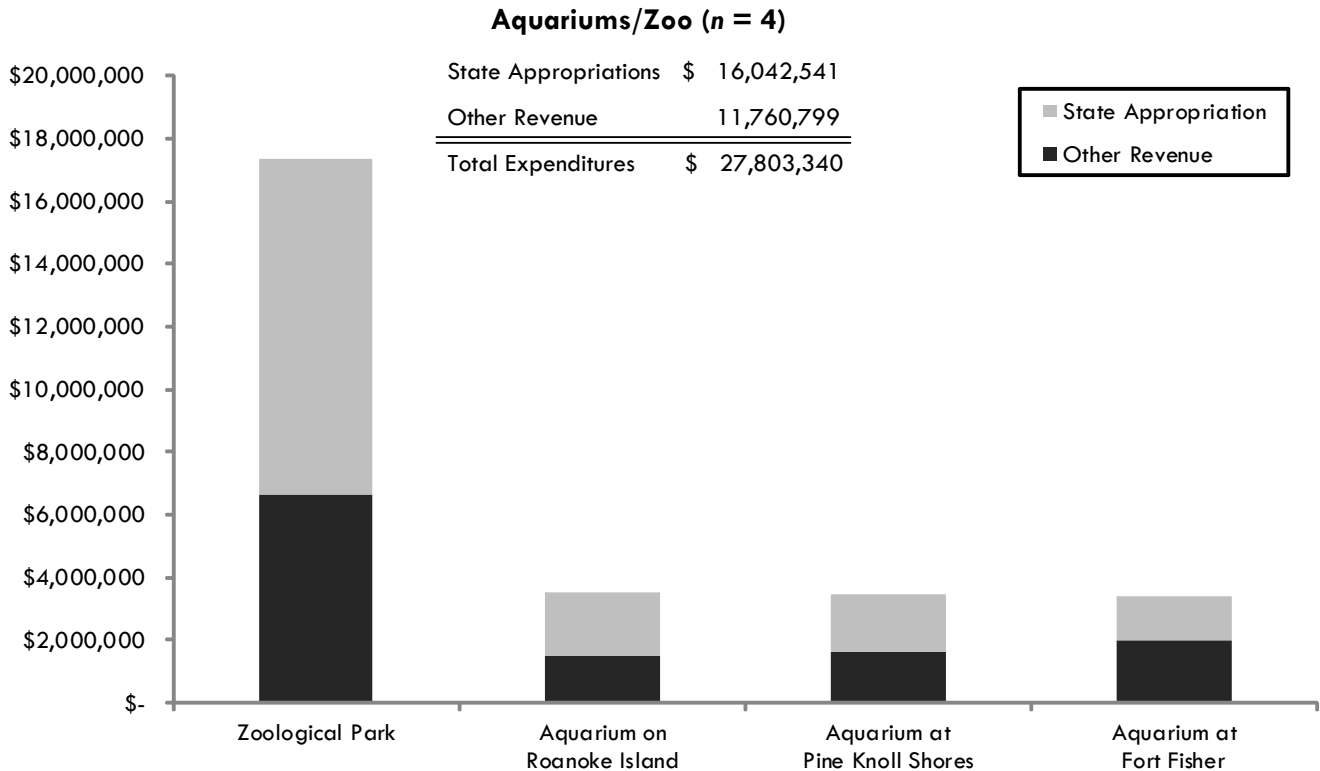
Notes: There are 37 state parks and recreation areas because Bay Tree Lake State Park and Carvers Creek State Park were not in operation in 2011. Kerr Lake, Jordan Lake, Falls Lake, and Fort Fisher are recreation areas. Chimney Rock State Park's revenue exceeded its expenditures by \$18,807 in Fiscal Year 2010-11.

Source: Program Evaluation Division based on data from the Office of the State Controller and the Department Environment and Natural Resources.

Exhibit 7: Expenditures for Museums/Commissions and Aquariums/Zoo, Fiscal Year 2010-11



Note: There are 13 museums and commissions because the Museum of Forestry was not in operation in 2011.



Note: There are four aquariums and zoo because Jennette's Pier was not in operation in 2011.

Source: Program Evaluation Division based on data from the Office of the State Controller and the Departments of Cultural Resources and Environment and Natural Resources.

Cost per visitor is commonly used to compare the efficiency of similar types of sites. This measure of efficiency is important because it identifies sites that are more costly to operate on a per-visitor basis. The Program Evaluation Division subtracted each site's revenue from its expenditures to calculate the net state cost for the site and divided by the number of visitors to the site, effectively calculating what the State pays to provide one visitor access to the site.

Although 81 sites were reviewed for this evaluation, 5 were not fully operational in 2010 and thus were excluded from the net state cost-per-visitor analyses presented below.¹³ For the 76 sites that were in operation in Fiscal Year 2010–11, the Program Evaluation Division determined how much the state paid for each visitor to each site (net state cost per visitor for each site can be found in Appendix B). Exhibit 8 shows average expenditures, visitors, revenue, and net state costs. For the sake of site-to-site comparison within site type, the Program Evaluation Division determined the median cost per visitor and net state cost per visitor for each site type. In Fiscal Year 2010–11, historic sites had the highest median net state cost per visitor at \$9.19, and state parks/recreation areas had the lowest median net state cost per visitor at \$1.74.

Exhibit 8: Net State Cost per Visitor by Site Type, Fiscal Year 2010–11

	Historic Sites	State Parks/ Recreation Areas	Museums/ Commissions	Aquariums/Zoo
Number of sites	22	37	13	4
Average expenditures	\$ 238,925	\$ 680,737	\$ 2,663,037	\$ 6,950,835
Average visitors	53,363	389,605	244,941	456,260
Median cost per visitor	\$ 10.34	\$ 2.11	\$ 10.05	\$ 10.79
Average revenue	\$ 8,038	\$ 144,725	\$ 386,762	\$ 2,940,200
Average net state costs	\$ 230,887	\$ 536,012	\$ 2,276,276	\$ 4,010,635
Median net state cost per visitor	\$ 9.19	\$ 1.74	\$ 8.61	\$ 6.05

Source: Program Evaluation Division based on data from the Office of the State Controller and the Departments of Cultural Resources and Environment and Natural Resources.

The Program Evaluation Division analyzed calculations of net state cost per visitor within each site type to determine which costs were at least one standard deviation above the average for each group. Exhibit 9 shows the 12 sites with the highest net state costs per visitor in each group. As shown, higher net state cost per visitor was a function of either high operating costs or low visitation compared to similar types of sites. Of the 12 state-owned attractions identified with the highest net state cost per visitor, 10 sites had low visitation and 2 had high operating costs.

¹³ The five sites that were not in operation in 2010 were Charlotte Hawkins Brown Memorial, Bay Tree Lake State Park, Carvers Creek State Park, Jennette's Pier, and North Carolina Museum of Forestry.

Exhibit 9: 12 Sites with Highest Net State Cost per Visitor, Fiscal Year 2010–11

	Net State Cost Per Visitor	Total Expenditures	Non-State Revenue	Visitors	Reason Net State Cost Per Visitor Is High	Agency Rationale for High Net State Cost Per Visitor
Historic Sites						
CSS Neuse/Richard Caswell Memorial	\$ 29.27	\$ 297,968	\$ 774	10,152	Low visitation	
Aycock Birthplace	\$ 21.31	\$ 240,822	\$ 607	11,275	Low visitation	Site is located in a rural, hard-to-reach area.
Historic Edenton	\$ 19.06	\$ 428,720	\$ 4,511	22,252	Low visitation	Site is located in a small community.
State Parks/Recreation Areas						
Haw River State Park	\$ 29.15	\$ 1,121,451	\$ 420,104	24,058	Low visitation	Site is relatively new and its major educational facility was under construction for six months.
Elk Knob State Park	\$ 13.63	\$ 339,927	\$ 2,194	24,772	Low visitation	Site is new and undeveloped with minimal facilities.
Singletary Lake State Park	\$ 12.86	\$ 350,404	\$ 50,394	23,332	Low visitation	Site is only available by reservation as a group camp facility.
Jones Lake State Park	\$ 11.41	\$ 433,478	\$ 45,990	33,962	Low visitation	Defective traffic counter at the entrance recorded only half of actual vehicles visiting; visitation by local residents has been declining in recent years.
Grandfather Mountain State Park	\$ 10.29	\$ 177,392	\$ —	17,233	Low visitation	Site is new and does not have major road access.
Museums/Commissions						
Tryon Palace	\$ 19.84	\$ 4,678,934	\$ 1,261,831	172,264	High operating costs	Site has high operating costs because of programming, including costumed interpreters and interactive exhibits, and maintaining a public park
North Carolina Museum of Art	\$ 15.64	\$ 7,481,195	\$ 333,809	456,987	Low visitation	Site did not have programming or a special exhibit (due to construction) that would have drawn attendance for four months of the fiscal year.
Museum of the Albemarle	\$ 15.27	\$ 1,097,008	\$ 150	71,828	Low visitation	Site has kept costs as low as possible and has increased publicity.
Aquariums/Zoo						
North Carolina Zoological Park	\$ 14.49	\$ 17,374,933	\$ 6,638,093	741,074	High operating costs	Site has high operating costs because of visitor amenities and large acreage.

Note: To make the museums/commissions cost data more comparable across sites, the Program Evaluation Division added the maintenance and utility costs that the Department of Administration bears for the Museums of Art, History, and Natural Sciences to those sites' costs. Department of Cultural Resources officials claimed construction at the CSS Neuse/Richard Caswell Memorial may have contributed to the high net state cost per visitor, but the Program Evaluation Division determined that construction occurred at the new site for the CSS Neuse and did not affect the current location.

Source: Program Evaluation Division based on data from the Office of the State Controller and the Departments of Cultural Resources and Environment and Natural Resources.

Low visitation explained the high net state cost per visitor for some historic sites, some state parks, the Museum of the Albemarle, and the North Carolina Museum of Art. The historic sites with high net state cost per visitor had the lowest visitation. As a group, historic sites had the lowest visitation of all state attractions. In Fiscal Year 2010–11, historic sites averaged 4,447 visitors per month, whereas other types of sites averaged 30,021 visitors per month. Each of the three historic sites identified with high net state costs per visitor averaged fewer than 2,000 monthly visitors. Other states have observed similar patterns of low visitation for their historic sites.

Daily visitation analysis also identified certain days of the week with significantly lower visitation for these historic sites: Aycock Birthplace averaged 28 visitors on Saturdays and 33 visitors on Wednesdays compared to a daily average of 51 visitors; CSS Neuse/Governor Caswell Memorial averaged 29 visitors on Tuesdays but averaged 37 visitors a day; and Historic Edenton averaged 14 visitors on Sundays compared to its daily average of 59 visitors.¹⁴ According to Department of Cultural Resources (DCR) officials, low visitation was due to the locations of these sites: Aycock Birthplace is located in a rural, hard-to-reach area in Wayne County, and Historic Edenton is located in a small, rural community in Chowan County.

The state parks with highest net state cost per visitor had the lowest visitation. North Carolina's state parks and recreation areas averaged 27,191 visitors per month.¹⁵ The five parks identified with the highest net state cost per visitor averaged fewer than 3,000 visitors per month. Three of these parks—Elk Knob, Haw River, and Grandfather Mountain—were acquired in the last 10 years (Grandfather Mountain was the State's most recent purchase). More visitors may come to these parks as they improve and expand their amenities.

Low visitation explained the high net state cost per visitor for the Museum of the Albemarle and the North Carolina Museum of Art. The Museum of the Albemarle averaged 5,986 visitors per month during Fiscal Year 2010–11, compared to 15,057 average visitors per month for all state-owned museums and commissions.¹⁶

The North Carolina Museum of Art averaged 38,082 visitors per month in Fiscal Year 2010–11. Admission to the site is free, but the museum charges an entrance fee for some special exhibits. The North Carolina Museum of Art reopened in April 2010 after being closed for seven months for major renovations. According to site officials, the new building did not have programming or a special exhibit that would have drawn attendance during the first four months of Fiscal Year 2010–11.

High operating costs explained the high net state cost per visitor for Tryon Palace and the North Carolina Zoological Park. Higher operating

¹⁴ Daily visitation was considered significantly lower when it was one standard deviation or more below the average number of daily visitors for that site.

¹⁵ The average visitors per month for state parks does not include the average monthly visitation for Jockey's Ridge (134,224) and Fort Macon (115,377) because these sites were statistical outliers.

¹⁶ The average visitors per month for state-owned museums and commissions does not include the average monthly visitation of the North Carolina Museum of Natural Sciences (56,313) because the site was a statistical outlier.

costs contributed to the high net state cost per visitor for Tryon Palace, which typically has high visitation and generates non-state revenue. The site averaged 14,355 visitors per month and charged \$15 for admission, which included access to the North Carolina History Center that opened in October 2010. According to site officials, Tryon Palace's higher costs per visitor also are associated with extensive programming offered by the site, including costumed interpreters and interactive exhibits, and maintaining a public park.

Not surprisingly, the North Carolina Zoological Park is the most expensive state-owned attraction to operate because of the cost of maintaining living plants and animals. In Fiscal Year 2010–11, the zoo cost \$17.4 million to operate, which is slightly more than what it cost to operate all of the museums owned by DCR combined (\$17.2 million). Although the zoo generated the most revenue of all state-owned attractions, it had fewer visitors in Fiscal Year 2010–11 than the four state recreation areas (741,074 zoo visitors versus an average of 915,671 recreation area visitors).

To reduce cost per visitor, some sites may need to suspend services on certain days of the week, during the off-season, or entirely. In order to reduce cost per visitor, sites should decrease operating costs, increase visitation, or both. Increasing visitation would require additional marketing efforts, which are unlikely given the current budget. Therefore, the Program Evaluation Division determined which sites could reduce operating costs by closing partially or completely. Exhibit 10 identifies potential cost reductions for different levels of closure for selected sites.¹⁷

Closing certain days of the week may be a good option for some state historic sites. One way to reduce operating costs for state attractions would be to close on certain days of the week. Many state services are available five days a week, and 14 historic sites currently operate on a five-day schedule year-round. This model could be applied to the two historic sites with high net state cost per visitor. Aycock Birthplace is closed on Sundays and open on Mondays seven months of the year. This site could move to a five-day schedule by operating Tuesday through Saturday year round. Historic Edenton is open seven days a week April through December and has limited hours on Sundays from January through March. Given its low visitation, this site should consider closing Sunday and Monday year round. Five other state historic sites could be operated on a five-day schedule.¹⁸ For example, Thomas Wolfe Memorial is closed on Mondays and open four hours on Sundays; it could operate on a Tuesday-through-Saturday schedule.

¹⁷ The estimated \$3.4 million in cost savings in Exhibit 10 differs from the \$1.9 million figure presented in the Executive Summary because that amount reflects what the Program Evaluation Division ultimately recommends, as shown in Exhibit 14 and 15.

¹⁸ Fort Fisher Historic Site, which is open Sundays from Memorial Day through Labor Day and closed Mondays year-round, was excluded from this analysis because it has the most visitors among historic sites.

Exhibit 10: Potential State Cost Reduction Mechanisms for North Carolina State Attractions

Potential Operational Change		Estimated Cost Savings	Reductions in 2011–12 Budget
Operate on a five-day schedule			
Historic Edenton	Close Sundays and Mondays	\$ 100,931	27% reduction
Charlotte Hawkins Brown Memorial	Close Mondays	44,223	17% reduction
Thomas Wolfe Birthplace	Close Sundays and Mondays	25,589	9% reduction
Alamance Battleground	Close Mondays	23,915	17% reduction
Aycock Birthplace	Close Mondays April - October	18,856	10% reduction
Bentonville Battlefield	Close Mondays April - September	18,560	9% reduction
Town Creek Indian Mound	Close Sundays	15,754	9% reduction
Estimated savings from five-day schedule		\$ 247,828	
Suspend services during the off-season			
State Parks	Close December–February	\$ 2,391,603	50% reduction in operating costs during those months
Mothball site			
Museum of the Albemarle	Close to the public and preserve artifacts	\$ 738,243	75% reduction
Close site			
Richard Caswell Memorial	Close entirely after CSS Neuse moves to new location		Cannot be determined
Total estimated cost savings		\$ 3,377,674	

Notes: "Mothball" means the site is closed to the public, but certain fixed costs continue until the State no longer owns the museum or the museum is funded again by the State or private donations. CSS Neuse would retain all staff: one site manager, two maintenance staff, and one interpretative staff person.

Seasonal closure is possible for state parks. The Program Evaluation Division analyzed the monthly visitation at state parks to identify seasonal fluctuations in visitation patterns.¹⁹ Results revealed the fewest visitors in December, January, and February, suggesting these sites could be closed during the winter months. Division of Parks and Recreation officials stated it is more expensive to close and reopen a site for short periods of time. Because the general public can access state parks even when they are closed, Division of Parks and Recreation administrators preferred to have

¹⁹ State parks and recreation areas do not record visitation on a daily basis. For most state parks and recreation areas, monthly visitation numbers are based on traffic counters that count the number of vehicles that pass over them and presumptions about the number of passengers per vehicle based on data collected in 2008 by North Carolina State University.

staff available 364 days a year to protect people and the environment.²⁰ However, several states have reduced operating hours or service offerings to reduce costs. Massachusetts shortened the camping season at some parks, and Texas reduced visitor hours. The Program Evaluation Division estimates the State could save up to \$2.4 million by suspending services at state parks and recreation areas during the off-season. A 50% reduction in operating budgets during December, January, and February would still allow staff to repair buildings, trails, and grounds; refresh exhibits; complete natural resource stewardship projects; and prepare education programs.

For a few sites, complete closure has already been considered.

Complete closure of sites would involve divesting ownership of the buildings and grounds and removing artifact collections. The General Assembly considered closure of two museums during the 2011 Session.

- The General Assembly proposed transferring the artifact collections from the Museum of the Cape Fear Complex to the North Carolina Museum of History in Raleigh during budget deliberations but ultimately decided to only reduce the operating budget for this museum by eliminating 8.25 positions,²¹ which reduces the site's net state cost per visitor from \$8.04 in Fiscal Year 2010–11 to a projected \$4.15 in Fiscal Year 2011–12.
- The Senate Subcommittee on General Government recommended closing the Museum of the Albemarle for an annual savings of \$958,903, but this proposal was not included in the final budget.

The Program Evaluation Division has identified another historic site for possible closure based on its cost-per-visitor analysis. The CSS Neuse/Richard Caswell Memorial had the highest net state cost per visitor of all sites under review; taxpayers subsidize \$29.27 per visitor to operate the site. DCR is planning to relocate the remnants of the CSS Neuse—an ironclad gunboat from the Civil War—to downtown Kinston. The new location will also house DCR eastern regional and education staff. The Richard Caswell Memorial features one building with exhibits about North Carolina's first and fifth governor and the Caswell family cemetery. Once the CSS Neuse is moved, DCR administrators expect visitation to the Caswell Memorial to drop 60–70%.

The Department of Environment and Natural Resources has explored cost savings from closing sites. The department compared the feasibility of closing one state park (Singletary Lake) and one state natural area (Mount Jefferson) instead of across-the-board reductions. Ultimately, no reductions were made because the General Assembly took funds from the Parks and Recreation Trust Fund.

Although Singletary Lake has a high cost per visitor (as shown in Exhibit 9) and has been considered for closure, the terms of the federal Land and Water Conservation Trust Fund that has provided support for this site requires the State to keep it as a state park or replace it with comparable

²⁰ State parks are officially closed on Christmas Day.

²¹ DCR mothballing the institution would bring annual operating costs down from \$366,700 to approximately \$120,223 per year, or an annual savings of approximately \$246,477.

property. Although it cannot be closed and sold, the management efficiencies proposed in Finding 1 (see Exhibit 4, page 9) would help to reduce costs.²²

The savings offered in Exhibit 10 assume reductions in operations that would reduce reliance on State funding. Sites could also reduce cost per visitor—in particular, the proportion of that cost that is now assumed by the State—through staffing changes, such as eliminating full-time positions, shifting to part-time staff, and increasing reliance on volunteers. As noted by the Department of Cultural Resources, many historic sites are located in rural areas and may be the only tourist attraction. In these cases, increased support from host municipalities or counties could supplant state budget reductions and maintain operations, at the discretion of the supporters.

One area of concern is that closing sites in some areas of the state could negatively affect the local economy where the site is located. In cases where the state is providing a high subsidy for each visitor to the park or historic site, it may be appropriate to turn the responsibility of managing the site over to local municipalities.

Finding 3. Expanding fees and adopting public–private partnerships with non-profit entities would reduce reliance on state funding.

Admission fees to state-owned attractions are controversial. Some administrators see admission fees as a barrier to accessibility and contend that state-owned sites should be accessible to all, not just those able and willing to pay. The director of the Museum of Natural Sciences reported some grant funding is predicated on the absence of admission fees for all but special events or exhibits.

However, admission fees constitute a source of revenue that can help sites become less reliant on state funds. Admission fees can move sites toward self-sufficiency: a 2010 report from South Carolina stated its parks and historic sites were 83% self-sufficient. Fees transfer the source of revenue directly to those who use the facilities and reduce the cost burden on the State. Introducing or raising fees requires thoughtful implementation and ongoing monitoring of effects on visitation, but research on park visitation suggests admission fees and fee increases have little if any effect on visitation;²³ further, fees may increase the perceived value of an attraction. According to the Morey Group, a market research firm that works with zoos and cultural attractions, underpricing admission to zoos and other attractions may actually depress visitation.

Other states charge entry fees for a wide array of state attractions, and some have increased fees to address budget reductions. For example, Louisiana raised admission to historic sites from \$2 to \$4 in 2010 to keep sites operating; the increase was expected to generate an additional \$2.6 million in revenue. States adjacent to North Carolina with attractions that charge admission fees are summarized in Exhibit 11. As shown, South Carolina charges entrance fees to all state parks and historic sites;

²² Thirty-two of the 39 state parks are funded by the Land and Water Conservation Fund and face similar restrictions.

²³ Lindberg, K. (2007). Management information tools for setting visitor fees. In Bushell, R., & Eagles, P. (Eds.). *Tourism and protected areas: Benefits beyond boundaries* (pp. 231- 243). Cambridge, MA: CABI.

Georgia and Virginia charge for parking instead of individual admission to state parks. In response to deep reductions in state funding, other states have turned to fees as a means to maintain park operations: California, Michigan, Nebraska, and Washington have modified or introduced fees to compensate for reductions in public funding.

Exhibit 11: State Attraction Admission Fees in North Carolina and Adjacent States

State	Historic Sites	Parks	Museums	Aquariums	Zoo
Georgia	Admission \$2.75 to \$10; Annual pass \$15 to \$35	Daily parking pass \$5; Annual pass \$50	N/A	N/A	N/A
North Carolina	No standard admission fee structure	No standard admission fee structure	No standard admission fee structure	Adults \$8	Adults \$12
South Carolina	Daily admission \$2 to \$7.50; Annual pass \$50		State Museum \$5 to \$7	N/A	N/A
Tennessee	No standard admission fee structure	\$0	\$0	N/A	N/A
Virginia	No standard admission fee structure	Parking \$2 to \$5	History \$9; Fine Arts \$0	N/A	N/A

Notes: South Carolina does not distinguish between historic sites and parks. Tennessee historic sites all collect admission, but the price is not standardized across sites. N/A indicates sites are not owned or operated by the state.

Source: Program Evaluation Division based on a review of information on other states.

Some sites in North Carolina currently collect admission fees. Recreation areas at Falls Lake, Jordan Lake, and Kerr Lake charge an entrance fee. Adult admission to the zoo increased to \$12 in July of 2011, keeping it in line with 29 other zoos accredited by the Association of Zoos and Aquariums. The most recent introduction of admission fees was at the Transportation Museum in July of 2011, where Department of Cultural Resources administrators reported a 26% drop in visitation. Although the long-term effect of the fee remains to be seen, some administrators see this type of drop as evidence that admission should not be charged.

Other concerns associated with admission fees pose challenges to sites. Site administrators reported admission fee collection at sites that do not now collect fees would involve costs. For example, additional staff or changes to staffing patterns, added security, and changes to facilities such as gates or fences might be required to collect fees. Some sites that consist largely of open spaces or straddle major thoroughfares, such as the Alamance Battleground, may not lend themselves to controlled access.

Another approach to increasing revenue from admission fees would be to modify existing fee structures, for example, as they apply to seniors and children. Attractions that charge admission offer discounts for children and seniors.²⁴ To demonstrate the revenue lost as a result of discounts, the Program Evaluation Division examined the effect of senior discounts, which in Fiscal Year 2010–11 ranged from \$1 to \$5.50 below full adult fees (see Exhibit 12). A total of \$284,958 in admission and fees was not

²⁴ The age threshold for seniors is 65 at the North Carolina Battleship and 62 years at all other sites.

collected across the sites due to senior discounts. Reducing the amount of the discount, raising the age threshold, or eliminating the discount altogether would result in increased revenue from fees and reduce reliance on state funding.

Exhibit 12: Senior Discounts for North Carolina Attractions in Fiscal Year 2010–11

Attraction and Fee Type	Number of Seniors	Senior Fee	Adult Fee	Total Senior Discount
Aquarium Admission				
Roanoke Island	18,015	\$ 7.00	\$ 8.00	\$ 18,015
Pine Knoll Shores	20,367	7.00	8.00	20,367
Fort Fisher	24,624	7.00	8.00	24,624
North Carolina Zoological Park Admission	23,493	8.00	10.00	46,986
State Park Fees				
Camping	17,907	14.00	19.50	98,489
Parking Fees (Kerr Lake, Jordan Lake, and Falls Lake)	11,780	4.00	6.00	23,560
Hammocks Beach Ferry	2,092	3.00	5.00	4,184
Tryon Palace Admission				
Galleries Pass	1,139	12.00	15.00	3,417
Governor's Pass	1,953	12.00	15.00	5,859
Time Traveler's Pass	1,932	15.00	20.00	9,660
Candlelight Holiday Tour	27	15.00	20.00	135
North Carolina Battleship Admission	14,831	10.00	12.00	29,662
Total Senior Visitors and Discount	19,882			\$284,958

Note: Visitors are designated as seniors at age 62 at all sites listed except for the North Carolina Battleship, which offers a discount at age 65.

Adopting public–private partnerships with non-profit entities for the zoo and aquariums could reduce costs and improve operations. North Carolina is unique among its neighbors. As shown in Exhibit 11, no adjacent states own aquariums or zoos. As states across the nation confront the need to explore operational changes for public attractions, some have adopted privatization. Public–private partnerships with non-profits can reduce reliance on state funding by leveraging private sector support.

An increasing number of states and municipalities have privatized operations of publicly owned attractions, particularly zoos.²⁵ Most (75%) of the zoos that are accredited by the Association of Zoos and Aquariums operate under a public–private model. Privatization of operations does not eliminate the need for state appropriations but can reduce reliance on public funds. For example, the City of Dallas spent \$16.1 million for zoo operations before contracting for zoo operations with the zoo society. This public–private arrangement is expected to save the city \$15 million in zoo operations for the first four years of the contract.

In addition to shifting operational expenses to a private non-profit entity, private operations can allow a more rapid response to operational needs than is possible with the restrictions of purchasing and use of funds imposed on government entities. Currently, purchases at attraction sites must go

²⁵ North Carolina and Minnesota are the only states that own and operate a zoo.

through the state purchasing process, which is typically time-consuming. Non-profit organizations affiliated with sites have become instrumental, enabling sites to respond quickly when purchasing needs arise. For example, when Fort Fisher Aquarium had the opportunity to purchase an albino alligator, the Aquarium Society could bid and agree on a contract quickly because it did not have to adhere to state purchasing policies.

Corporate sponsorship has been used by some states to generate revenue to fill budget gaps. According to a survey by the National Association of State Park Directors, some states have considered or begun entering into public–private sponsorship agreements. Georgia and Virginia instituted corporate sponsorships in a number of ways. Georgia has entered into an agreement with Verizon Wireless to sponsor Boy Scout service projects throughout the park system to build benches and bridges, maintain trails, and clean waterways. The Virginia Department of Conservation and Recreation raised at least \$5 million over the past five years through corporate sponsorships of their information service centers. Sponsorship is available from as little as \$650 for targeted, regional advertising up to the highest level, naming rights of a site.

Non-profit friends groups already engage in public–private collaborations to support North Carolina attractions, and some see possibilities for this type of collaboration to increase. These support groups rely on engaging the community and businesses to support site activities, such as education and other programming efforts. Friends groups may collect cash gifts, sponsor ongoing programs or exhibits, fund restoration or improvement projects, produce site publications, host marketing campaigns, and run operations such as gift shops. North Carolina support groups that responded to a Program Evaluation Division survey identified additional opportunities, such as managing a portion of the site property for rental purposes, but some expressed concern that privatization of operations would mean losing control of a community asset.

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

Legislation directing this evaluation specifically requested a review of whether administration of state attractions could be consolidated. The main considerations are whether or not consolidation would increase administrative effectiveness and result in cost savings. Analyses conducted for this evaluation indicate potential administrative savings of \$201,500 as a result of eliminating two redundant positions.²⁶ These savings, however, would be outweighed by the cost of consolidation and challenges to the effectiveness of an administrative structure within either the Department of Cultural Resources (DCR) or the Department of Environment and Natural Resources (DENR). Evidence supporting this conclusion came from technical reviews of attraction management and a review of the organizational structure in North Carolina.

Centralizing administration of all state attractions under one of the existing agencies would likely be detrimental to the sites that were

²⁶ This estimate was generated by averaging the current salaries and benefits of the two redundant positions in each department.

moved. Research on effective management suggests classifying sites according to type is useful to capture distinct management objectives. A 2010 review of research on site management emphasized the importance of agency mission: key management objectives of oversight agencies are linked to the purpose of the sites they oversee. For example, museums may define their primary mission as research and may not think of themselves as attractions at all.²⁷ This perspective suggests grouping all sites that might be defined as attractions may not be the best approach to optimize effective management.

Mission statements that guide specific sites or types of sites also play a key role in defining purpose. For example, researchers at the University of North Carolina at Greensboro reviewed mission statements of 136 zoos across the country to examine whether they articulated their educational aims and goals. The review supported the importance of zoo administrators' focus on conservation education and their formal definition of zoos' roles in education and conservation education.²⁸

Governance structures also have been tied to how well sites are managed. The American Association of Museums recognizes the role of governance structure in determining how sites function and takes governance into account when reviewing sites for accreditation. As noted in the association's materials, an important aspect of governance structure for attractions is a well-functioning authority that has a strong relationship with staff responsible for the sites (e.g., a museum director or division manager).

Research indicates the importance of a two-way relationship between administration and attractions: strong administrative structures support site management and purpose, and sites provide public outreach and support of the agency's mission by connecting with citizens. In interviews conducted for this evaluation, agency and site administrators commented on the role their attractions played in furthering their agency's mission.

Although maintaining the current management structure would retain familiarity with and alignment of the agencies with the sites they oversee, there has been reshuffling in the past. The Museum of Natural Sciences, now overseen by DENR, was under the Department of Agriculture and Consumer Services until 1994. The current museum director noted the change in governance resulted in a better fit between the purpose of the museum and DENR's mission. In interviews conducted for this evaluation, agency administrators could not identify similar gains that would result from shifting or consolidating oversight of state attractions under DCR or DENR.

Consolidating state attractions under a single existing agency might be feasible if the agency mission reflected the purpose of the various site types it administered. In keeping with research on attraction management, the purpose of the managing agency would need amending to encompass the purposes of all site types if the intent is to maintain their identity and purpose. Disruption also could be minimized if the existing division-level administrative structure were kept intact, at least initially.

²⁷ Leask, A. (2010). Progress in visitor attraction research: Towards more effective management. *Tourism Management*, 31, 155–166.

²⁸ Patrick, P., Matthews, C., Ayers, D. & Tunnicliffe, S. (2007). Conservation and education: Prominent themes in zoo mission statements. *The Journal of Environmental Education* 38(3), 53–60.

Consolidated management of parks and historic sites would be most feasible. Five southeastern states administer parks and historic sites under a single agency; however, this arrangement has been in place in all but one state since the sites were established. Parks and historic sites share features such as geographic dispersion across the state and a related focus on preservation and/or conservation of land or structures. As shown in Exhibit 13, Arkansas, Georgia, Kentucky, Louisiana, and South Carolina administer historic sites and parks under a single entity. Of the remaining seven states in the region, five, including North Carolina, have oversight in separate agencies. State-owned historic sites and parks in Tennessee and West Virginia are operated by separate divisions within one agency.

Administrators in each of the southeastern states with joint oversight reported parks and historic sites had been under a single agency for decades. In most cases, oversight had been consolidated since they were established. South Carolina was the exception: joint oversight of parks and historic sites was established in 1967 when statute created a new agency, the Department of Parks, Recreation and Tourism. The agency does not distinguish between state parks and historic sites and did set uniform fee structures, accountability reporting, and access to public information across sites.

Fully consolidating oversight of North Carolina's state parks and historic sites under a single existing agency may not yield cost savings.

The importance of mission in site administration of state parks and historic sites by their respective agencies might be outweighed if cost savings warranted consolidation. To assess potential savings, the Program Evaluation Division examined agency-level organizational charts for overlap across the two agencies' staffs dedicated to operating parks and historic sites. This review identified overlap of two positions: both administrative divisions include a director and a business officer/manager. Savings might be realized if consolidation eliminated one of these positions: based on the average salary and benefits for each position, eliminating one director could save \$120,000 and one business manager \$82,000 recurring. However, the lack of other clear areas of overlap suggests the remaining staff members would be retained.

Consolidating management of state attractions under a single agency would come at a price. The cost of a similar management shift—transferring DENR's Division of Forestry Resources and Division of Soil and Water Conservation to the Department of Agriculture and Consumer Services in 2011—provides an idea of what such a move might entail. DENR and the Office of the State Controller administrators reported this move cost at least \$972,000 to implement. This example is recent enough that the long-term cost and/or savings are not yet known. In the case of attractions, savings may ultimately result from, for example, additional site-management consolidation similar to those identified in Finding 1 of this report.

Exhibit 13

Administrative Oversight of State-Owned Parks and Historic Sites Among Southeastern States

States with Joint Administration of Parks and Historic Sites		
State	Administrative Entity	
Arkansas	Department of State Parks and Tourism, Division of State Parks	
Georgia	Department of Natural Resources, State Parks and Historic Sites Division	
Kentucky	Department of Parks	
Louisiana	Department of Culture, Recreations, and Tourism, Office of State Parks	
South Carolina	Department of Parks, Recreation, and Tourism	
States with Separate Administrations		
State	Parks	Historic Sites
Alabama	Department of Conservation and Natural Resources, Division of State Parks	Historic Preservation Office, Historic Commission
Florida	Department of Environmental Protection, Division of Recreation and Parks	Department of State, Division of Historical Resources
Mississippi	Department of Wildlife, Fisheries, and Parks	Department of Archives and History
North Carolina	Department of Environment and Natural Resources, Division of Parks and Recreation	Department of Cultural Resources, Office of Archives and History
Tennessee	Department of Environment and Conservation, State Parks	Department of Environment and Conservation, Historical Commission
Virginia	Department of Conservation and Recreation, Virginia State Parks	Department of Historic Resources
West Virginia	Department of Commerce, Division of Natural Resources	Department of Commerce, Division of Culture and History

Notes: Virginia's Department of Historic Resources owns some sites and works with a range of other state agencies that own historic properties. Tennessee historic sites are owned by the Historical Commission but are locally administered by non-profit friends groups.

Source: Program Evaluation Division based on a review of state websites and interviews with state administrators.

Weighed against the loss of alignment with agency mission and division expertise, potential savings from administrative consolidation of oversight of state attractions under the existing agencies could not be justified. However, if consolidation were pursued, while assuming the distinct

identities and purposes of distinct types of attractions were to be retained, the overseeing agency's mission should be amended to encompass the purposes of the different site types.

Recommendations

The General Assembly directed the Program Evaluation Division to evaluate state attractions in part to determine whether administration could be consolidated. Based on the findings of this evaluation, complete consolidation of all attractions under one of the existing agencies is not recommended. However, efficiencies could be gained through the following recommendations for changes to site administration and operations.

Recommendation 1. The General Assembly should direct the Department of Cultural Resources (DCR) to coordinate the management of sites to increase efficiency, reduce operating costs by changing operating schedules and by closing sites partially or entirely, and develop and expand public-private partnerships with non-profit entities and fees to reduce reliance on state funds.

Specifically, the General Assembly should direct DCR to take the following actions.

1 - A. Implement a coordinated management structure for Bennett Place, Duke Homestead, and Historic Stagville located in Durham County and analyze site proximity and span of control to identify other historic sites that could adopt a coordinated management structure. One manager would oversee a group of closely located sites, non-managers would not be affected by this change, and sites would not be merged. In Finding 1 of this report, the Program Evaluation Division found coordinating management of historic sites in Durham County could result in cost savings by reducing the number of management positions. The three historic sites, each with a site manager, are within a 30-minute drive of each other in Durham County. Coordinated management of these three sites would eliminate the need for two management positions and produce recurring savings of \$92,100 (based on the statewide average historic site manager salary and benefits of \$46,053). With this combined management structure, the span of control for one manager for all three sites would be 8, which is no larger than the number of staff currently at the two largest historic sites. Costs associated with this change, such as travel, should be minimal.

DCR should examine additional sites where management could feasibly be consolidated and develop an implementation plan for management reductions. The list of additional sites that could adopt coordinated management structures should be reported to the Senate Appropriations Committee on General Government and Information Technology and the House Appropriations Committee on General Government by December 31, 2012, so changes can be implemented for Fiscal Year 2013-14.

1 - B. Reduce days of operation for the following historic sites:

- Alamance Battleground,
- Aycock Birthplace,
- Bentonville Battlefield,
- Charlotte Hawkins Brown Memorial,
- Historic Edenton,
- Thomas Wolfe Memorial, and
- Town Creek Indian Mound.

In Finding 2, the Program Evaluation Division found historic sites have the lowest visitation among all state attractions, and these 7 sites have the lowest visitation among the 23 historic sites. The operating schedules for these sites should be transitioned to a five-day-a-week schedule, which preserves access to the State's historical and cultural heritage and ensures these venues are managed more efficiently. These schedule changes would save \$247,828 annually.

1 - C. Close the Museum of the Albemarle and the Richard Caswell Memorial. North Carolina would save \$738,000 annually by mothballing the Museum of the Albemarle. In addition, closing the Richard Caswell Memorial altogether, once the CSS Neuse is relocated, would yield some savings, but the exact amount could not be determined.

The General Assembly considered closing the Museum of the Albemarle during the 2011 Session, but this proposal was not adopted. The Program Evaluation Division found that the Museum of the Albemarle is among the 12 sites with the highest net state cost per visitor, and low visitation contributed to the high cost per visitor for this site. The General Assembly should direct DCR to close the Museum of the Albemarle to the general public and mothball its collection. Mothballing this site preserves important historical and cultural artifacts while reducing the cost to the State.

The Program Evaluation Division found the CSS Neuse/Richard Caswell Memorial has the highest net state cost per visitor and the lowest annual visitation among all state attractions. The site has limited features to draw visitors and DCR expects visitation to the Richard Caswell Memorial to drop 60-70% when the CSS Neuse moves to its permanent location in early 2012. The General Assembly should direct DCR to close the Richard Caswell Memorial portion of this site.

1 - D. Explore opportunities to develop and expand public-private partnerships with non-profit entities and fees to reduce reliance on state funds. A growing number of states have taken this approach to offset reductions in state funding and to avoid drastic reductions to staff and facilities. The General Assembly should direct DCR to

- conduct a thorough examination of the net savings associated with introducing or expanding admission fees;

- consider changing the fee structure by eliminating discounts or raising fees;
 - explore corporate sponsorship for some sites; and
 - examine transferring operations to non-profit support groups, municipalities, or other appropriate entities.
- DCR should report the results of this analysis to the Senate Appropriations Committee on General Government and Information Technology and the House Appropriations Committee on General Government by October 1, 2012, so changes can be implemented for Fiscal Year 2012-13.

The combined savings for operational changes recommended for DCR is estimated to save \$1.1 million annually (see Exhibit 14).

Exhibit 14

Operational Changes for the Department of Cultural Resources Could Yield \$1.1 Million Annually

Recommended Operational Change for the Department of Cultural Resources	Estimated Cost Savings
Close one museum	\$ 738,243
Close one historic site	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

Note: The historical and cultural artifacts from the Museum of the Albemarle will be preserved.

Source: Program Evaluation Division based budget, staffing, and operational data from the Department of Cultural Resources.

Recommendation 2. The General Assembly should direct the Department of Environment and Natural Resources (DENR) to coordinate the management of sites to increase efficiency, record daily visitation data at all parks to determine potential savings from daily or seasonal closure, and develop and expand public-private partnerships with non-profit entities and fees to reduce reliance on state funds.

Specifically, the General Assembly should direct DENR to take the following actions.

2 - A. Implement a coordinated management structure for the state parks in Bladen County and analyze site proximity and span of control to identify other state parks and recreation areas that could adopt a coordinated management structure. In Finding 1 of this report, the Program Evaluation Division found that coordinating management of DENR facilities in Bladen County could result in cost savings by reducing the number of management positions. Singletary Lake State Park and Jones Lake State Park—each with a site superintendent—are within a 20-minute drive of each other and could operate under one superintendent. Because management

has already been consolidated at Bay Tree Creek State Park and White Lake, which are managed by the current Singletary Lake State Park superintendent, coordinating management across the four sites would eliminate one management position and yield \$58,100 in savings (based on the statewide average park manager salary with benefits). The resulting span of control at these sites would then be comparable to the average for full-time equivalent positions per manager across all state parks and recreation areas.

DENR should examine additional sites where management could feasibly be consolidated and develop an implementation plan for management reductions and report the results of the analysis to the House Appropriations Subcommittee on Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources by December 31, 2012, so changes can be implemented for Fiscal Year 2013–14.

- 2 - B. Record daily visitation counts for state parks and recreation areas and use the data to determine potential changes to daily or seasonal operations.** DENR records and reports daily visitation data for aquariums, museums, and the zoo, but not for the 39 state parks and recreation areas. As a result, the Program Evaluation Division could not determine optimal operating schedules for those sites. Until daily visitation data are available, the only scheduling analysis that can be done is at the monthly level. The Program Evaluation Division estimated the State could save \$2.4 million by closing all state parks and recreation areas for three months during the winter season, but the division determined it was premature to recommend that level of closure without daily visitation data.

Monthly visitation data for state parks and recreation areas is estimated by multiplying the number of vehicles that pass over traffic counters by the presumed number of passengers per vehicle. Multipliers for sites were based on data from a 2008 report by researchers at North Carolina State University and varied from 2.67 passengers per car at Jordan Lake to 4.48 at Fort Fisher (the average across the 14 parks in the sample was 3.44).²⁹ These data should be validated every five years to ensure accuracy.

The General Assembly should direct DENR to record daily visitation data at parks and recreation areas immediately and use the data to identify potential cost savings from daily or seasonal closure by October 1, 2012. DENR should validate the number of visitors per car, report the results of their data collection, and make recommendations for daily and seasonal closure of state parks and recreation areas to the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Subcommittee on Natural and Economic Resources by April 1, 2013, so changes could be implemented for Fiscal Year 2013–14.

²⁹Greenwood, J. B. & Vick, C. G. (2008) Economic Contribution of Visitors to Selected North Carolina State Parks.

2 - C. Adopt public–private partnerships with non-profit entities for the operations of the zoo and aquariums. North Carolina is the only southeastern state that owns and operates an aquarium or a zoo, and Minnesota is the only other state that owns and operates a zoo at all. Operations of these sites through public–private partnerships with non-profits would increase the flexibility of site operations, which would lead to increased efficiencies and reduce reliance on state funding. The zoo and aquariums have already developed preliminary plans to outsource site operations. A complete proposal of state costs and savings resulting from privatizing operations at the zoo and aquariums should be provided to the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Subcommittee on Natural and Economic Resources by December 31, 2012.

2 - D. Explore opportunities to develop and expand public–private partnerships with non-profit entities and fees. A growing number of states have taken this partnership approach to offset reductions in state funding and to avoid drastic reductions to staff and facilities. DENR should

- conduct a thorough examination of net savings associated with introducing or expanding admission fees;
- consider changing the fee structure by eliminating discounts or raising fees;
- explore corporate sponsorship for some sites; and
- examine transferring operations to non-profit support groups, municipalities, or other appropriate entities.

DENR should report the results of this analysis to the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Subcommittee on Natural and Economic Resources by December 31, 2012, so changes could be implemented for Fiscal Year 2013–14.

The combined savings for operational changes recommended for DENR is estimated to save \$858,100 annually (see Exhibit 15). Since the proposal for the transfer of operations to a non-profit agency holds the state appropriation steady, the additional savings would be realized over time.

An additional annual savings of \$2.4 million could be realized from seasonal or daily closures of state parks.

Exhibit 15

Operational Changes for the Department of Environment and Natural Resources Could Yield \$858,100 Annually in the First Year

Recommended Operational Change for the Department of Environment and Natural Resources	Estimated Cost Savings
Coordinate management in Bladen County	\$ 58,100
Outsource zoo operations to non-profit entity	800,000
Total Estimated Cost Savings	\$ 858,100

Note: Savings from adopting a public-private partnership management structure for zoo operations are based on consultant estimates.

Source: Program Evaluation Division based on budget, staffing, and operational data from the Department of Environment and Natural Resources.

Appendices

Appendix A: Inventory of State Attractions

Appendix B: Site Staff Full-Time Equivalent (FTE) and Cost Per Visitor Data

Agency Response

A draft of this report was submitted to the Departments of Cultural Resources and Environment and Natural Resources to review and respond. Their responses are provided following the appendices.

Program Evaluation Division Contact and Acknowledgments

For more information on this report, please contact the lead evaluator, Michelle Beck, at Michelle.Beck@ncleg.net.

Staff members who made key contributions to this report include Kiernan McGorty, Carol H. Ripple, and Pamela L. Taylor. John W. Turcotte is the director of the Program Evaluation Division.

Appendix A: Inventory of State Attractions

Name	County	Purpose	Description	Structures	Acres
Historic Sites (Department of Cultural Resources)					
Alamance Battleground	Alamance	Historical	Was tied to the War of Regulation, the American Revolutionary War, and the Civil War; includes visitor center, exhibits, marked battlefield, monuments, informational markers, nature trail, and the circa 1780 John Allen House.	6	42
Aycock Birthplace	Wayne	Historical	1870s farmstead that was the childhood home of Governor Charles Brantley Aycock; includes a one-room school, farm animals, historic house and kitchen, activities, and special programs.	15	18
Bennett Place	Durham	Historical	Location of the largest surrender of the American Civil War between Major General T. Sherman and General Joseph E. Johnston; includes a museum, film presentation, research library, living history programs with costumed interpreters, nature trails, and picnicking.	8	34
Bentonville Battlefield	Johnston	Historical	Largest Civil War battlefield in the State; includes visitor center, guided tours of the Harper House, driving tour, and a walking trail.	12	1,460
Brunswick Town/Fort Anderson	Brunswick	Historical	Colonial Brunswick and Civil War Fort Anderson located on the Cape Fear River; includes accessible walkway, archaeological ruins, the home of two North Carolina Royal Governors, and earthworks of Fort Anderson; hosts events and reenactments.	5	119
CSS Neuse/Richard Caswell Memorial	Lenoir	Historical	Memorializes the Revolution and the American Civil War; includes battleship hull, memorial building, trails, picnicking, and monuments; features guided tours, demonstrations, and activities.	9	44
Charlotte Hawkins Brown Memorial	Guilford	Historical	The only State historic site commemorating the work of an African American and a woman; includes historic structures, outdoor exhibit panels and picnicking.	17	40
Duke Homestead	Durham	Historical	Includes the 1852 home of Washington Duke, tobacco barns, tobacco factories, museum exhibits, and collection of tobacco artifacts.	13	47
Fort Dobbs	Iredell	Historical	The only North Carolina State Historic Site associated with the French and Indian War, this archaeological site is transitioning into a living history museum; includes visitor center, nature trail, and picnicking.	6	33
Fort Fisher	New Hanover	Historical	Civil War battlefield featuring the greatest earthwork fortification of the Confederacy; includes visitor center and tour trail with exhibit panels.	7	361

Name	County	Purpose	Description	Structures	Acres
Historic Bath	Beaufort	Historical	Interprets Colonial, antebellum, and nautical history of North Carolina's first town; features guided tours of the 1751 Palmer-Marsh House.	18	12
Historic Edenton	Chowan	Historical	Interprets the growth and development of Edenton since the 1690s; includes historic structures; features guided walking tours, guided trolley tours, special events, and programs.	12	2
Historic Halifax	Halifax	Historical	Concentrates on the 1760–1840 time period; includes historic structures, museums, landmarks, visitor center, and picnicking; features scheduled tours and hands-on demonstrations.	13	43
Historic Stagville	Durham	Historical	Once part of the largest plantation in North Carolina at the time of the Civil War totaling over 30,000 acres and 900 enslaved people; includes historic structures and visitor center.	15	163
Horne Creek Farm	Surry	Historical	Preserves and interprets typical middle-class farm life from 1900–1910 and is home to repository for rare southern apple varieties; includes historic structures, nature trail, visitor center, picnicking, and nature trail.	14	112
House in the Horseshoe	Moore	Historical	Revolutionary War battle site, historic home of Governor Benjamin Williams, and the headquarters for groups involved in mineral exploration in the 1800s; includes historic structures, visitor center, and picnicking.	11	13
President James K. Polk	Mecklenburg	Historical	Once owned by the future president's parents; includes reconstructed house, visitor center, and picnicking; features tours and history demonstrations.	6	21
Reed Gold Mine	Cabarrus	Historical	Site of the first discovery of gold in America and one of five working Stamp Mills in the country; includes historic structures, nature trails, and visitor center; features guided underground tour and panning for gold (seasonal).	13	823
Somerset Place	Washington/Tyrrell	Historical	North Carolina's third largest slaveholding plantation by 1860; interprets how both freed and enslaved people lived during the 1840s; includes historic structures, garden, visitor center, and nature trails.	17	0
State Capitol	Wake	Historical	Example of Greek Revival civic architecture; features educational programs and tours.	1	0
Thomas Wolfe Memorial	Buncombe	Historical	19th century Queen Anne-style boardinghouse where author Thomas Wolfe grew up; includes historic structures and a visitor center; features guided and self-guided tours.	3	<1

Name	County	Purpose	Description	Structures	Acres
Town Creek Indian Mound	Montgomery	Historical	North Carolina's oldest State Historic Site has hosted 75 years of archaeological excavation and study; features full-scale reconstruction of an 11 th -century Mississippian village; includes historic structures, visitor center, and nature trail.	9	55
Vance Birthplace	Buncombe	Historical	The 1795-1830 mountain farmstead where Governor Zebulon B. Vance was born; includes historic structures, visitor center, and picnicking.	10	8
Museums/Commissions (Department of Cultural Resources)					
Battleship North Carolina	New Hanover	Historical	Memorial to North Carolinians who served and died during World War II; includes the battleship with supporting moorings and two gangways, visitor's center, auditorium and museum displays, waterfront park, and wetlands.	1	65
Graveyard of the Atlantic Museum	Dare	Historical	Preserves, researches, exhibits, and interprets the maritime history and shipwrecks of the Outer Banks.	1	7
Mountain Gateway Museum and Heritage Center	McDowell	Historical	Promotes the understanding of regional history and culture; museum services encourage the preservation and understanding of local, state, and regional history.	5	4
Museum of the Albemarle	Pasquotank	Historical	Promotes the understanding of history and material culture primarily of the Albemarle Region; features regional collections, interpretive exhibits, and professional assistance.	2	2
Museum of the Cape Fear Complex	Cumberland	Historical	Interprets the history of the Cape Fear Region through exhibits, events, and educational programs; includes the Museum, 1897 Poe House, and the site of the 19th century Federal Arsenal.	8	8
North Carolina Maritime Museum, Beaufort	Carteret	Historical	Collects, preserves, researches, documents, and interprets regional coastal cultures and maritime history; features exhibits, demonstrations, field experiences, and educational programs; includes artifacts from Blackbeard's ship <i>Queen Anne's Revenge</i> .	12	32
North Carolina Maritime Museum, Southport	Brunswick	Historical	Tells the story of the Cape Fear region's people and their relationship to the water; includes interpretive exhibits, educational programs, and events.	1	<1
North Carolina Museum of Art	Wake	Cultural	Acquires, preserves, and exhibits works of art and conducts programs of education, research, and publication; includes two main buildings, park, amphitheater, and two warehouses.	4	164

Name	County	Purpose	Description	Structures	Acres
North Carolina Transportation Museum	Rowan	Historical	Former Southern Railway repair facility; interprets all aspects of North Carolina Transportation History; includes historic structures, visitor center, and picnicking.	35	57
Roanoke Island Festival Park	Dare	Historical	Celebrates Roanoke Island's history; includes living history exhibits, interactive museum, art gallery, outdoor performing arts pavilion, waterfront boardwalks, meeting rooms, event facilities, and picnicking; operates the Maritime Museum on Roanoke Island.	12	27
Tryon Palace	Craven	Historical	Nationally accredited, interactive museum and public garden that features costumed interpretation, living history demonstrations, reenactments, interactive exhibits, virtual programs, and historic objects; includes buildings and landscapes.	39	73
Museums (Department of Environment and Natural Resources)					
North Carolina Museum of Forestry	Columbus	Educational	Celebrates the story of the natural history and cultural heritage of North Carolina forests; includes structures and grounds.	2	2
North Carolina State Museum of Natural Sciences	Wake	Research & Education	Two sites host indoor and streetscape operations, research, and outdoor programming; museum features exhibits, hands-on activities, workshops, and trips.	8	45
State Parks and Recreation Areas (Department of Environment and Natural Resources)					
Bay Tree Lake State Park	Bladen	Conservation	Undeveloped park with rare Xeric Sandhill Scrub natural communities on the shore of Bay Tree Lake (planned for future development).	0	609
Carolina Beach State Park	New Hanover	Recreational	Diverse coastal ecological communities support rare plants, including the Venus fly trap; park includes visitor center, marina, and camping.	17	420
Carvers Creek State Park	Cumberland	Recreational	Undeveloped park with sandhills natural communities, featuring long leaf pine, streams, and wetlands; includes the historic Rockefeller farm.	24	1,395
Chimney Rock State Park	Rutherford	Recreational	Hickory Nut Gorge landscape includes natural diversity and rare species; Chimney Rock is operated under a contract and the remainder of the park is undeveloped.	18	4,111
Cliffs of the Neuse State Park	Wayne	Recreational	Multi-colored cliffs up to 98 feet tower over the Neuse River; includes visitor center, camping, and swimming lake.	25	892
Crowders Mountain State Park	Gaston	Recreational	Two of the highest peaks in the Kings Mountain range, 20-mile views, streams, and lake environment; trails connect to South Carolina; includes visitor center and camping.	22	5,126

Name	County	Purpose	Description	Structures	Acres
Dismal Swamp State Park	Camden	Conservation	More than 14,000 acres of the Great Dismal Swamp; includes visitor center and trails.	4	14,344
Elk Knob State Park	Watauga	Conservation	High country vistas, numerous rare species, and many natural communities; includes trails and some interim development pending a master plan.	14	2,898
Eno River State Park	Durham/Orange	Recreational	Scenic wilderness corridor in an urban setting encompasses ecologically significant river with rare species, historic homestead, and mill sites; includes extensive trail system.	38	4,139
Falls Lake State Recreation Area	Wake/Durham/Granville	Recreational	Woodlands and wildlife habitat on the shoreline of a large federal reservoir; includes swimming, camping, picnicking, boating, and a marina.	100	5,035
Fort Fisher State Recreation Area	New Hanover	Conservation	Barrier island site with remnants of a historic fort; home to nesting coastal birds and sea turtles; includes visitor center, bathhouse, swimming beach, and four-wheel-drive beach access.	3	287
Fort Macon State Park	Carteret	Historical	Restored historic Civil War fort; includes a barrier island beach, visitor center, and bathhouse; features fort tours and hosts Civil War reenactments.	27	424
Goose Creek State Park	Beaufort	Recreational	National Natural Landmark with hardwood swamps and brackish marshes along the Pamlico River; includes environmental education facility, camping, swimming, and trails.	19	1,672
Gorges State Park	Transylvania	Recreational	Waterfalls, gorges, and elevation changes with rare plant and animal species and natural communities; includes trails and primitive camping; additional facilities under development.	9	7,443
Grandfather Mountain State Park	Avery/ Caldwell/ Watauga	Recreational	International Biosphere Reserve known for its rare species; includes trail system and primitive camping along rugged peaks.	2	2,601
Hammocks Beach State Park	Onslow	Recreational	Undisturbed barrier island inaccessible by road, with ocean beach, maritime forests, salt marshes, tidal creeks, and nesting sea turtles; includes a seasonal passenger ferry, visitor center, bathhouse, and camping.	22	1,155
Hanging Rock State Park	Stokes	Recreational	Rock outcrops, waterfalls, mountain lake, and scenic river; includes visitor center, camping, picnicking, swimming, and extensive trails.	46	7,049
Haw River State Park	Guilford	Educational	Authorized by the General Assembly in 2003, the park is in the early stages of development for public use; includes the Haw River Environmental Education Center, which hosts school groups, conferences, and training.	21	1,334

Name	County	Purpose	Description	Structures	Acres
Jockey's Ridge State Park	Dare	Recreational	Features the tallest living sand dune on the Atlantic coast; includes visitor center, picnicking, and hang-gliding concession.	30	426
Jones Lake State Park	Bladen	Recreational	Examples of Carolina Bay lake formation, coastal plain wetlands, and other natural communities; includes swimming, bathhouse, camping, picnicking, and trails.	18	1,669
Jordan Lake State Recreation Area	Chatham	Recreational	Woodlands and wildlife habitat on the shoreline of a large federal reservoir; includes swimming, camping, picnicking, boating, and a marina.	109	3,916
Kerr Lake State Recreation Area	Vance & Warren	Recreational	Woodlands and wildlife habitat on the shoreline of a large federal reservoir straddling the Virginia state line; includes swimming, camping, picnicking, boating, and a marina.	120	3,002
Lake James State Park	McDowell	Recreational	Vistas of the surrounding Black Mountains overlooking a 6,510-acre reservoir; includes swimming, camping, boating, and trails.	11	3,515
Lake Norman State Park	Iredell	Recreational	Primary public access to Lake Norman; includes swimming, boating, camping, picnicking, and trails.	31	1,928
Lake Waccamaw State Park	Columbus	Recreational	One of the largest Carolina Bay lakes known for several endemic aquatic species; includes visitor center, camping, and boating.	10	1,759
Lumber River State Park	Robeson	Recreational	Scenic and ecologically important riverine swamp communities with public access to State Natural and Scenic River; includes camping, picnicking, and boating.	19	9,239
Mayo River State Park	Rockingham	Recreational	Recreational river with whitewater for paddling; steep slopes and rock outcrops host unusual plant communities and rare species; includes trails and picnicking.	11	1,967
Medoc Mountain State Park	Halifax	Recreational	Exposed rock outcrops, bluffs, and steep topography unusual in eastern North Carolina; includes visitor center, camping, picnicking, and trails.	21	3,892
Merchants Millpond State Park	Gates	Recreational	Historic millpond features towering bald cypress trees draped in Spanish moss; popular paddling destination; includes visitor center, camping, trails, and canoe rentals.	19	3,352
Morrow Mountain State Park	Stanly	Recreational	Lakefront landscape with the remains of one of the oldest mountain ranges in the eastern United States; site of nationally significant Native-American activities; includes visitor center, camping, picnicking, swimming, trails, and boating.	57	4,496

Name	County	Purpose	Description	Structures	Acres
Mount Mitchell State Park	Yancy	Recreational	North Carolina's first state park has the highest peak east of the Mississippi (6,684 feet), with views up to 100 miles, high elevation natural communities, and unusual species; includes visitor center, observation tower, camping, picnicking, and a restaurant.	18	1,946
New River State Park	Ashe/Allegheny	Recreational	Protects and provides public access to the National Wild and Scenic New River; includes a visitor center, camping, paddling, picnicking, and trails.	37	2,359
Pettigrew State Park	Washington	Recreational	On the shores of the second-largest natural lake in North Carolina, the park features old-growth trees and Native American artifacts; includes camping, boating, and trails.	18	4,471
Pilot Mountain State Park	Surry & Yadkin	Recreational	National Natural Landmark with views of the Blue Ridge Mountains; includes a two-mile section of the Yadkin River and features camping, boating, picnicking, and trails.	39	3,651
Raven Rock State Park	Harnett	Recreational	Landmark 150-foot high bluff along the Cape Fear River; floodplain forests, granite flatrock, abundant wildflowers, and rare species; includes visitor center, camping, and trails.	19	4,694
Singleary Lake State Park	Bladen	Recreational	Carolina Bay lake complex with natural communities, unusual geological features, and rare plants and animals; visitors must arrange for access in advance; includes group camping with cabins, mess hall, and boating.	33	649
South Mountains State Park	Burke	Recreational	South Mountains range includes peaks up to 3,000 feet, 80-foot waterfall, and pristine watersheds; includes visitor center, camping, picnicking, equestrian camping, and trails.	47	18,048
Stone Mountain State Park	Wilkes/Allegheny	Recreational	700-foot granite dome with views, waterfalls, and wildlife; includes visitor center, camping, rock climbing, picnicking, and trails.	53	14,210
William B. Umstead State Park	Wake	Recreational	Over 5,000 acres of scenic forests, streams, and lakes surrounded by urban development; includes visitor center, camping, picnicking, boating, and trails.	155	6,000
Aquariums/Zoo (Department of Environment and Natural Resources)					
Jennette's Pier	Dare	Recreational	Opened in May 2010; features classes, fishing, and equipment sales and rentals.	4	6
North Carolina Aquarium at Fort Fisher	New Hanover	Educational	Site dedicated to Cape Fear River habitats; features presentations, hands-on demonstrations, and on- and off-site educational programs.	6	23

Name	County	Purpose	Description	Structures	Acres
North Carolina Aquarium at Pine Knoll Shores	Carteret	Educational	Exhibits of mountain, piedmont, coastal plain, tidal waters, and ocean habitats; offers presentations, tours, hands-on demonstrations, and on- and off-site educational programs; includes nature trails.	4	323
North Carolina Aquarium on Roanoke Island	Dare	Educational	Largest collection of sharks in the State; exhibits dedicated to Outer Banks ocean habitats; offers presentations, tours, hands-on demonstrations, and on- and off-site educational programs.	17	16
North Carolina Zoological Park	Randolph	Educational	One of the largest natural habitat zoos in the world; includes animal exhibits, carousel, 4-D theater, giraffe experience, and picnicking; offers on- and off-site educational outreach and conservation programs.	68	2,100

Appendix B: Site Staff Full-Time Equivalent (FTE) and Cost Per Visitor Data

	Fiscal Year 2011-12		Fiscal Year 2010-11			
	Staff FTE	Expenditures	Visitors	Cost per Visitor	Revenue	Net State Cost per Visitor
Historic Sites (Department of Cultural Resources)						
Alamance Battleground	3	\$ 148,580	11,601	\$ 12.81	\$ 150	\$ 12.79
Aycock Birthplace	2	\$ 240,822	11,275	\$ 21.36	\$ 607	\$ 21.31
Bennett Place	3	\$ 160,290	14,366	\$ 11.16	\$ 337	\$ 11.13
Bentonville Battlefield	5	\$ 235,172	38,418	\$ 6.12	\$ 8,179	\$ 5.91
Brunswick Town/Fort Anderson	5	\$ 244,571	30,989	\$ 7.89	\$ 150	\$ 7.89
Charlotte Hawkins Brown Memorial	5					
CSS Neuse/Richard Caswell Memorial	5	\$ 297,968	10,152	\$ 29.35	\$ 774	\$ 29.27
Duke Homestead	5	\$ 206,714	18,381	\$ 11.25	\$ 5,623	\$ 10.94
Fort Dobbs	3	\$ 99,213	18,528	\$ 5.35	\$ 2,665	\$ 5.21
Fort Fisher	8	\$ 343,000	640,771	\$ 0.54	\$ 15,147	\$ 0.51
Historic Bath	3	\$ 274,046	18,027	\$ 15.20	\$ 6,947	\$ 14.82
Historic Edenton	8	\$ 428,720	22,252	\$ 19.27	\$ 4,511	\$ 19.06
Historic Halifax	5	\$ 256,389	34,192	\$ 7.50	\$ 150	\$ 7.49
Historic Stagville	3	\$ 183,700	15,481	\$ 11.87	\$ 39,061	\$ 9.34
Horne Creek Farm	4	\$ 231,181	33,767	\$ 6.85	\$ 150	\$ 6.84
House in the Horseshoe	3	\$ 133,222	17,074	\$ 7.80	\$ 3,750	\$ 7.58
President James K. Polk	3	\$ 112,891	12,602	\$ 8.96	\$ 5,670	\$ 8.51
Reed Gold Mine	6	\$ 356,875	45,083	\$ 7.92	\$ 51,192	\$ 6.78
Somerset Place	5	\$ 241,019	20,260	\$ 11.90	\$ 3,171	\$ 11.74
State Capitol	6	\$ 429,355	108,235	\$ 3.97	\$ 4,732	\$ 3.92
Thomas Wolfe Memorial	5	\$ 285,975	19,862	\$ 14.40	\$ 13,361	\$ 13.73
Town Creek Indian Mound	4	\$ 198,935	20,897	\$ 9.52	\$ 10,107	\$ 9.04
Vance Birthplace	3	\$ 147,715	11,769	\$ 12.55	\$ 400	\$ 12.52
State Parks and Recreation Areas (Department of Environment and Natural Resources)						
Bay Tree Lake State Park	0					
Carolina Beach State Park	10	\$ 681,935	556,248	\$ 1.23	\$ 165,552	\$ 0.93
Carvers Creek State Park	4					
Chimney Rock State Park	6	\$ 354,234	199,124	\$ 1.78	\$ 373,041	\$ (0.09)
Cliffs of the Neuse State Park	7	\$ 387,185	183,574	\$ 2.11	\$ 60,050	\$ 1.78
Crowders Mountain State Park	12	\$ 746,416	395,829	\$ 1.89	\$ 22,335	\$ 1.83
Dismal Swamp State Park	6	\$ 346,214	73,991	\$ 4.68	\$ 3,012	\$ 4.64
Elk Knob State Park	5	\$ 339,927	24,772	\$ 13.72	\$ 2,194	\$ 13.63
Eno River State Park	8	\$ 533,850	419,175	\$ 1.27	\$ 17,712	\$ 1.23
Falls Lake State Recreation Area	30	\$ 1,887,692	779,621	\$ 2.42	\$ 531,382	\$ 1.74
Fort Fisher State Recreation Area	7	\$ 440,672	863,822	\$ 0.51	\$ 151,760	\$ 0.33
Fort Macon State Park	10	\$ 676,404	1,384,524	\$ 0.49	\$ 31,351	\$ 0.47
Goose Creek State Park	9	\$ 402,275	259,643	\$ 1.55	\$ 11,990	\$ 1.50
Gorges State Park	7	\$ 411,561	81,377	\$ 5.06	\$ 3,551	\$ 5.01
Grandfather Mountain State Park	3	\$ 177,392	17,233	\$ 10.29	\$ —	\$ 10.29
Hammocks Beach State Park	10	\$ 815,829	91,681	\$ 8.90	\$ 121,796	\$ 7.57
Hanging Rock State Park	12	\$ 866,797	552,903	\$ 1.57	\$ 380,091	\$ 0.88
Haw River State Park	12	\$ 1,121,451	24,058	\$ 46.61	\$ 420,104	\$ 29.15
Jockey's Ridge State Park	8	\$ 456,565	1,610,688	\$ 0.28	\$ 121,484	\$ 0.21
Jones Lake State Park	7	\$ 433,478	33,962	\$ 12.76	\$ 45,990	\$ 11.41
Jordan Lake State Recreation Area	32	\$ 2,175,910	866,119	\$ 2.51	\$ 1,101,452	\$ 1.24

	Fiscal Year 2011-12		Fiscal Year 2010-11			
	Staff FTE	Expenditures	Visitors	Cost per Visitor	Revenue	Net State Cost per Visitor
Kerr Lake State Recreation Area	28	\$ 2,301,130	1,153,120	\$ 2.00	\$ 544,408	\$ 1.52
Lake James State Park	8	\$ 661,894	495,037	\$ 1.34	\$ 79,682	\$ 1.18
Lake Norman State Park	8	\$ 488,178	524,772	\$ 0.93	\$ 62,292	\$ 0.81
Lake Waccamaw State Park	7	\$ 408,650	86,068	\$ 4.75	\$ 39,553	\$ 4.29
Lumber River State Park	9	\$ 577,956	78,024	\$ 7.41	\$ 8,620	\$ 7.30
Mayo River State Park	4	\$ 210,353	37,087	\$ 5.67	\$ 10,068	\$ 5.40
Medoc Mountain State Park	6	\$ 376,280	74,180	\$ 5.07	\$ 33,421	\$ 4.62
Merchants Millpond State Park	7	\$ 520,931	276,489	\$ 1.88	\$ 40,538	\$ 1.74
Morrow Mountain State Park	10	\$ 768,042	447,565	\$ 1.72	\$ 244,408	\$ 1.17
Mount Mitchell State Park	7	\$ 657,363	346,266	\$ 1.90	\$ 287,200	\$ 1.07
New River State Park	11	\$ 786,449	250,984	\$ 3.13	\$ 45,404	\$ 2.95
Pettigrew State Park	6	\$ 324,461	71,364	\$ 4.55	\$ 17,189	\$ 4.31
Pilot Mountain State Park	8	\$ 555,817	452,007	\$ 1.23	\$ 42,677	\$ 1.14
Raven Rock State Park	7	\$ 401,346	156,527	\$ 2.56	\$ 9,271	\$ 2.50
Singletary Lake State Park	5	\$ 350,404	23,332	\$ 15.02	\$ 50,394	\$ 12.86
South Mountains State Park	11	\$ 847,478	205,438	\$ 4.13	\$ 45,598	\$ 3.90
Stone Mountain State Park	12	\$ 831,827	426,996	\$ 1.95	\$ 159,334	\$ 1.57
William B. Umstead State Park	15	\$ 862,908	891,781	\$ 0.97	\$ 69,919	\$ 0.89
Museums and Commissions (Department of Cultural Resources)						
North Carolina Battleship	37	\$ 3,094,704	208,651	\$ 14.83	\$ 3,063,217	None
Graveyard of the Atlantic Museum	3	\$ 354,603	69,164	\$ 5.13	\$ —	\$ 5.13
Mountain Gateway Museum and Heritage Center	3	\$ 160,745	330,074	\$ 0.49	\$ —	\$ 0.49
Museum of the Albemarle	16	\$ 1,097,008	71,828	\$ 15.27	\$ 150	\$ 15.27
Museum of the Cape Fear Complex	4	\$ 614,025	76,337	\$ 8.04	\$ —	\$ 8.04
North Carolina Transportation Museum	11	\$ 979,662	97,489	\$ 10.05	\$ 25,591	\$ 9.79
North Carolina Maritime Museum, Beaufort	17.25	\$ 1,049,216	270,532	\$ 3.88	\$ 420	\$ 3.88
North Carolina Maritime Museum, Southport	4	\$ 253,947	58,612	\$ 4.33	\$ —	\$ 4.33
North Carolina Museum of Art	110	\$ 7,481,195	456,987	\$ 16.37	\$ 333,809	\$ 15.64
North Carolina Museum of History	68.75	\$ 4,760,960	550,277	\$ 8.65	\$ 20,987	\$ 8.61
Roanoke Island Festival Park	29	\$ 2,096,201	146,270	\$ 14.33	\$ 227,521	\$ 12.78
Tryon Palace	58.18	\$ 4,678,934	172,264	\$ 27.16	\$1,261,831	\$ 19.84
Museums (Department of Environment and Natural Resources)						
North Carolina Museum of Forestry	6					
North Carolina Museum of Natural Sciences	181	\$ 7,998,285	675,751	\$ 11.84	\$ 94,374	\$ 11.70
Aquariums and Zoo (Department of Environment and Natural Resources)						
Jennette's Pier	13.75– 27.75					
North Carolina Aquarium at Fort Fisher	49.48– 63.7	\$ 3,410,436	415,413	\$ 8.21	\$2,018,027	\$ 3.35
North Carolina Aquarium at Pine Knoll Shores	53.96– 65.91	\$ 3,495,543	389,047	\$ 8.98	\$1,607,837	\$ 4.85
North Carolina Aquarium on Roanoke Island	45.13– 57.3	\$ 3,522,428	279,507	\$ 12.60	\$1,496,842	\$ 7.25
North Carolina Zoological Park	281.75– 321.75	\$17,374,933	741,074	\$ 23.45	\$6,638,093	\$ 14.49

Note: When staff FTE fluctuated by season, the range was included. The North Carolina Battleship receives no state funds.



**North Carolina Department of Cultural Resources
Office of the Secretary**

Beverly Eaves Perdue, Governor

Linda A. Carlisle, Secretary

February 7, 2012

John W. Turcotte, Director
Program Evaluation Division
North Carolina General Assembly
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603

Dear Mr. Turcotte:

The North Carolina Department of Cultural Resources (DCR) appreciates the opportunity to participate and comment on the Program Evaluation Division's (PED) recent study of state attractions, including twenty-four state historic sites, three commissions and eight museums located within DCR. PED has sought to examine these resources through the context of cost savings and efficiencies, optimal operating schedules, and opportunities for management consolidation.

The Department of Cultural Resources has been diligent in its efforts to contain costs, seek efficiencies and explore all avenues for revenue generation. While there are some limited changes that can be made within the Division of State Historic Sites, there are not significant savings to be realized.

It is important to note that many of our Historic Sites:

- Are located in rural areas and represent the only "attraction" in the area or county.
- Receive no marketing funds for promotion and advertising.
- Are dependent on support groups for limited marketing funds, staffing support, special events, educational programs and site signage.

Despite negative economic conditions, more than 4 million individuals are being served by our state's vast cultural and historical venues each year. Visitation at these sites increased by more than 18% in 2011.

The PED report on state attractions is characterized by a deliberate analysis based on data collected. However, as the following comments show, it is impossible to fully understand the nature of the operations and the impact on the local communities through this data analysis alone.

The Department of Cultural Resources would like to formally comment on the following recommendations:

Recommendation 1-A. Implement a coordinated management structure for Bennett Place, Duke Homestead, and Historic Stagville, located in Durham County.

- The minimum number of staff required to operate a state historic site, in terms of operations, maintenance, tours, safety and security for both visitors and staff, is three.

- The size of the properties, number of structures, and overall responsibilities make it impossible to expect only two employees to handle all of the duties. The recommended elimination of the site manager positions at Bennett Place and Historic Stagville would make it impossible to provide all required services to the public.
- These particular site manager positions are fully engaged in operations, interpretation, administration, and maintenance responsibilities. The staff is now responsible for all housekeeping and grounds maintenance, as third party contracts have been discontinued.

<u>Site</u>	<u>Staff</u>	<u>Structures</u>	<u>Acres</u>
Bennett Place	3	8	34
Historic Stagville	3	15	163

The recommendation additionally directs the Department to conduct an analysis of site proximity and span of control to identify other historic sites that could adopt a coordinated management structure and report to the General Assembly by December 31, 2012.

- The Division of State Historic Sites has already eliminated one regional manager and reduced all sites to the minimum staffing required, eliminating eleven full-time staff positions at the site level since 2010. We have previously reviewed this matter and taken appropriate action.

CONCLUSION:

1. The elimination of two historic site managers in Durham County will make it impossible to provide required services to the public and will create a potential safety risk to visitors and staff, leaving two large sites with only two full-time employees. There are no travel funds budgeted for the one remaining site manager to travel between the sites on a daily basis.

2. The Department has already acted responsibly in seeking efficiencies and optimal staffing at all sites and no further analysis is needed.

Recommendation 1-B. Reduce days of operation for the following historic sites.

Exhibit 10 of the report provides PED's projected savings for a reduction in operating hours at the following historic sites:

- Alamance Battleground (Alamance)
- Aycock Birthplace (Wayne)
- Bentonville Battlefield (Johnston)
- Charlotte Hawkins Brown Memorial (Guilford)
- Historic Edenton (Chowan)
- Thomas Wolfe Memorial (Buncombe)
- Town Creek Indian Mound (Montgomery)

The Department does not necessarily object to this recommendation; however, we steadfastly reject the argument that there would be significant savings. Revised Exhibit 10 below reflects our analysis for the proposed reductions.

**Comparison of Exhibit 10 - Department of Cultural Resources -
Historic Sites Five-Day Schedule analysis**

	# of Structures & # of Acres at Site	Potential Operational Change	PED Estimated Cost Savings	PED Reductions in 2011-12 Budget	DCR Estimated Cost Savings	DCR Reductions in 2011-12 Budget	DCR Rationale for Savings
Operate on a five-day schedule							
Historic Edenton	12 structures 2 acres	Close Sundays and Mondays	\$ 100,931	27% reduction	\$35,549	8.3% reduction	Savings would equate to the elimination of 1 FTE
Charlotte Hawkins Brown	17 structures 44 acres	Close Mondays	44,223	17% reduction	\$1,625	.5% reduction	Temp salary reduction only
Thomas Wolfe Birthplace	3 structures 21 acres	Close Sundays	25,589	9% reduction	0	0% reduction	All temp salaries are received - no state funds expended
Alamance Battleground	6 structures 42 acres	Close Mondays	23,915	17% reduction	1,740	1.2% reduction	Temp salary reduction only
Aycock Birthplace	15 structures 18 acres	Close Mondays April - October	18,856	10% reduction	1,740	.7% reduction	Temp salary reduction only
Bentonville Battlefield	12 structures 1,460 acres	Close Mondays April - September	18,560	9% reduction	0	0% reduction	All temp salaries are receipt funded - no state funds expended
Town Creek Indian Mound	3 structures Less than 1 acre	Close Sundays	15,754	9% reduction	1,595	.8% reduction	Temp salary reduction only
Estimated savings from five-day schedule:			PED Estimated Savings: \$ 247,828		DCR Estimated Savings: \$42,249		Elimination of 1 FTE: (\$35,549) and state approp. temp salaries - \$6,700

PED's analysis does not reflect a number of realities regarding the operations of sites.

- PED's analysis was based on a straight line reduction of all expenses based on the percentage of hours/days cut. Fixed costs such as utilities, maintenance and salaries will not be affected and staffing will not be reduced as a result of reducing operating hours by 8-13 hours per week. HVAC systems must continue to function at all times to maintain the environmental conditions required by the sites' artifacts.
- All sites must have a minimum of three full-time employees to function properly, regardless of how many days they are open. Additional days of closure will also increase the security risk to the sites, facilities, and collections.
- In the case of all the listed sites but one (Historic Edenton), the only real savings to be realized through the reduction of 8-13 hours of weekly operation is through the elimination of appropriations-funded temporary positions, as all other temporary salaries are provided by support groups.

One exception: The elimination of two days of public operation of **Historic Edenton** could result in the elimination of one Interpreter I position. However, doing so would minimize Historic Edenton as part of the Edenton Historical Commission's efforts to grow tourism to aid in the local economy, especially so in a small historic community such as Edenton. Historic Edenton, in addition to being a state historic site, provides the visitor center for the city and serves as the tourism coordinator for the entire community. As part of this collaboration, the city provides the tour shuttle and driver for the scheduled tours. In addition, the site staff will soon assume responsibility for the interpretation of and maintenance of the newly-restored state-owned Roanoke River Lighthouse.

- Reducing the staffing at this site will have a significant negative impact on this small community, far greater than the savings realized.

CONCLUSIONS:

1. While we would prefer to keep the current operating hours for our historic sites to enable broader access for North Carolina citizens, we do not contest this as a viable option. However, the annual savings would only be \$6,700 in state appropriated temporary salaries.

2. We strongly disagree with the closing of Historic Edenton on Sundays and Mondays, thereby eliminating one staff position. This two-day closing will have a significant negative economic impact on the entire downtown community of shops, restaurants and tourists, which is vital for this community. We would urge a reversal of this proposal.

Recommendation 1-C. Close the Museum of the Albemarle and the Richard Caswell Memorial.

- The Department of Cultural Resources does **not agree** with the proposal to close the **Museum of the Albemarle** located in Elizabeth City. This facility is a major component of downtown Elizabeth City and is a partner with other institutions in working to develop a strong History/Arts/Science (HAS) collaborative. Additionally, the museum is one of the largest buildings in Elizabeth City (74,000 square feet), located on the waterfront, and its closing would have a major negative impact on the local economic development efforts.
- Operating costs would continue whether the building is open to the public or not, as long as the state continues to own it and the collections are contained within.
- PED's cost analysis showing the estimated savings to mothball this museum is not accurate. DCR's detailed budget analysis shows the savings at \$661,171 or 67% of its 2011-12 budget.
- DCR would urge PED to carefully consider the annual savings versus the negative impact on the community and economy.

The recommended closing of the **Caswell Memorial** as a state-operated historic site facility, after the relocation of the CSS Neuse, is not without some merit. In fact, discussions have already begun with local entities about a possible partnership arrangement for the site. However, there would essentially be no savings to such an action. It is critical to understand that this site is composed of two locations: Caswell Memorial, which is comprised of the Governor Caswell Memorial and cemetery, and the CSS Neuse, which will be relocated in mid-2012 to its new facility located downtown.

All of the staff currently located at Caswell will be transferred to the new Neuse location on Queen Street, where they will be fully utilized in maintaining and interpreting the exhibits of the new 20,000 square foot Civil War museum. There will be no reduction in staffing.

CONCLUSIONS:

1. The Museum of the Albemarle should not be closed. The Museum is a critical component of the local economy, serving as one of the three institutions marketed under their brand, “Elizabeth City HAS (History, Arts, Science) It”. The Museum is the largest, iconic structure on the downtown waterfront, and its closure will create a negative impact on this community, which is working collaboratively to grow jobs and the local economy and using its arts, culture and history as a means to create a strong identity.

2. Regarding Caswell Memorial, DCR should be allowed to pursue the best resolution, as this site evolves over the next year. There is essentially no savings to be realized, even if the site is closed.

Recommendation 1-D. Explore opportunities to develop and expand public/private partnerships and fees to reduce reliance on state funds.

- DCR’s sites and museums have been supported by friends groups for many years; however, most of these groups are relatively small and have limited fundraising capacity. Almost all of the historic sites are located in rural, and often remote, locations. This makes the potential for transferring operations to a support group or municipality an unlikely option.
- Smaller historic sites, in particular, do not lend themselves to sponsorships. Donors and sponsors are more attracted to the sponsoring of special programs and exhibits, not operational support.
- All sites and museums are exploring additional rental income opportunities and seeking ways to increase all sources of revenue. The Historic Sites Enterprise Fund, which was legislatively formed in 2011, enables each site to retain its share of earned revenue and promotes entrepreneurship at the sites.

- The nature of historic sites makes them unsuitable candidates for the charging of admission fees. This concept has been reviewed extensively for these sites, acknowledging a number of limitations, especially with site infrastructure: the sites tend to be open and expansive, making visitor control very difficult; the exhibits and displays have not been updated and rarely feature new technology, making it less likely that the public will pay anything more than a token for visitation; and the costs associated with implementing a ticket/cash control system would be cost prohibitive.
- It should also be noted that the North Carolina Transportation Museum, which began charging admission fees in July 2011, has experienced a 26% reduction in visitation.

CONCLUSIONS:

- 1. All sites and museums that charge admission fees have reviewed those fee structures and have adjusted fees to the maximum level they deem reasonable within the local market and to remain competitive among their peers in the industry.**
- 2. DCR strongly opposes eliminating discounts for seniors and would not support that option. All sites are exploring options for generating additional public support and other sources of revenue, all of which take time and staffing to implement.**
- 3. Additional study of these issues is not warranted and would consume significant staff resources that are not available.**

OVERALL DCR CONCLUSION TO PED STATE ATTRACTIONS REPORT:

- We strongly urge that **Historic Edenton not be closed for two days** and that the **Museum of the Albemarle in Elizabeth City not be mothballed**. Both of these actions will have a severe negative impact on these small, eastern North Carolina communities, which are dependent on tourism as a major economic engine and will curtail positive actions that are underway in each community.
- If PED's recommendations are implemented, it is important to note that DCR's projections of annual savings is **significantly** different from PED's projections. The actual annual savings would be:
 - **Total savings from reduced hours at historic sites: \$6,700**
 - **Historic Edenton (if closed 2 days): \$35,549**
 - **Museum of the Albemarle mothballing: \$661,171**

Sincerely yours,

Linda A. Carlisle
Secretary



North Carolina Department of Environment and Natural Resources

Beverly Eaves Perdue
Governor

Dee Freeman
Secretary

February 7, 2012

Director John Turcotte
Program Evaluation Division
North Carolina General Assembly
300 N. Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5925

Dear Director Turcotte:

Thank you for the opportunity to review the Program Evaluation Division's report on Operational Changes for State Attractions. We found both the review process and the final report to be very thorough and appreciate the time and effort your staff spent developing the report. Our formal response is below.

Finding 4: Consolidating attractions under one existing agency would not enhance effective management or result in cost savings.

The department agrees that consolidation between DENR and DCR would not enhance effective management or save money. DENR also believes that consolidation would be detrimental to the affected attractions. DENR's sites each have their own unique mission. The sites exist for many reasons including to provide educational opportunities to visitors, to conduct research, to conserve and protect the state's unique natural resources and to provide recreational opportunities for visitors. However, all of DENR's sites provide opportunity for visitors to learn about the state's environment and natural resources. The various missions of the state parks, the Museum of Natural Sciences, the Zoo and Aquariums align well with DENR's mission. Consolidation with another agency, with a focus on a different core mission, will dilute the importance of our attractions' missions and make it almost impossible to achieve results within specific attractions, without diminishing the results of others.

Besides concern about impact from conflicting missions, DENR also agrees that consolidation would not save money. At the request of the Program Evaluation Division, DENR provided cost estimates for the transfer of the divisions of Forest Resources; Soil and Water Conservation; and a portion of Environmental Health to other state agencies (transfers were directed by S.L. 2011-145). DENR estimated the cost to be approximately \$1 million, based on an estimate of the staff hours devoted to the implementation of the transfers. We are also uncertain about the level of any potential long term savings, should any savings occur at all.

Finding 2: Operational costs vary by site and changes to operating schedules could yield cost savings.

While the average net state cost per visitor to operate state parks is relatively low, it is important to note that the park staff has responsibilities that are not represented in the visitation numbers. The state parks system is entrusted with management and protection of large landholdings that contain rare plants and animals, watersheds, floodplains, historic buildings, valuable archaeological sites and scenic landmarks. Staff conducts educational programming offsite at schools and meetings, they participate in community events and festivals, and they provide emergency assistance for natural disasters, accidents and search and rescue operations.

Many of these services benefit North Carolina citizens who do not visit the parks. Protection of watersheds and floodplains benefits downstream residents; protection of scenic beauty benefits the tourism industry; campgrounds and fishing piers benefit merchants who sell tents and tackle, for example. Thus, the benefits of the state parks system are not depicted completely in the average net state cost per visitor data. For the indicated public expenditure, the public receives more in benefits than merely the expenses of the visitors alone.

Recommendation 2B: *Record daily visitation counts for state parks and recreation areas and use the data to determine potential changes to daily or seasonal operations.*

DPR already records visitation statistics daily, but has not previously been requested to compile and report the data on a daily basis. This is a feasible recommendation, which can be implemented quickly.

It is also feasible to use this data to identify potential cost savings from daily or seasonal closure by Oct. 1, 2012. However, the estimated cost savings of \$2.4 million by closing the entire park system for three winter months may be too high. It appears that the net cost of operating the state park system for the year (\$19.8 million) is calculated to be distributed evenly for each month (\$1.6 million/month). Operating costs, as well as park revenue, are higher in the primary visitor season and lower in the winter months. Savings realized by closing parks in the winter are likely to be less than the monthly average of net annual operating expenses.

More time and resources are needed to implement the report recommendation of validating the number of visitors per car, reporting the results of the data collection and making recommendations for daily or seasonal closure of state parks by April 1, 2013. A thorough study should be conducted by researchers with experience in parks and recreation. Visitor use patterns vary by park, day of the week and season. The study should sample most, if not all parks, at different times and days during a full year of visitor use. To get a complete picture of visitation, the study should provide estimates for the number of visitors who enter parks on foot, bicycle or other means as well as by car. Because the study is to be used to recommend park closures, it should also describe the demographics of visitors as well as their activities in order to identify the types of visitors who would be affected. A more realistic date for completion of this study would be Dec. 31, 2013.

Also, the Division of Parks and Recreation already closes camping loops and underused facilities during non-peak times, but complete closure during the winter would disproportionately impact certain users. Some activities, such as cross-country skiing and bird-watching for winter migratory birds, would be eliminated. The Audubon Society conducts its Christmas bird counts in December, and many of the parks have hosted "First Day hikes" on New Year's Day, in conjunction with many states across the country. This year the N.C. state parks system hosted 30 hikes in 28 state parks, drawing 1,246 hikers covering a

total 58 miles of trail. More and more people have nontraditional work and school schedules, such as year-round schools, and may be recreating in the off-season. The state parks play a significant role in helping people keep fit and healthy during all seasons. People hike, bike, fish, etc. throughout the year and will tend to use the parks even if they are closed, creating a significant threat of vandalism to natural resources and to hundreds of millions of dollars of state infrastructure. Finally, the park staff uses the off-season to repair buildings, trails and grounds; to refresh exhibits; to complete natural resource stewardship projects; and to prepare educational programs and presentations to be ready for the busy season. If the staff is in the park anyway, there seems little reason to prohibit public entry, even if it to a low number of visitors.

Finding 1: Restructuring site-level management could increase efficiency and effectiveness of site operations.

***Recommendation 2A:** Implement a coordinated management structure for the state parks in Bladen County and analyze site proximity and span of control to identify other state parks and recreation areas that could adopt a coordinated management structure.*

While Singletary Lake State Park is relatively small, data on visitation to the group camps does not adequately reflect the work done by the park staff. The Singletary Lake superintendent is also responsible for management of two “satellite” areas: White Lake and Bay Tree Lake. White Lake is completely surrounded by private property, but the 1,100-acre lake bed is state property. The majority of Bay Tree Lake’s 1,500-acre shoreline is also private. Park staff administers a system of permits for privately and commercially-owned piers, seawalls, boat ramps and other structures within the state-owned lake bed. Approximately 900 structures are inspected and permitted every year, and non-permitted and hazardous structures are removed. Park staff also issues special activity permits, monitors special events and maintains a No Wake zone at White Lake, constantly maintaining and replacing marker poles to minimize navigational hazards in this popular lake. Visitation data are not collected at either White Lake or Bay Tree Lake.

In addition, park land at both Singletary Lake and Bay Tree Lake contains fire-dependent natural communities that require periodic prescribed burning. The park is home to the federally endangered red-cockaded woodpecker, as well as a variety of carnivorous plants and other significant natural resources. The park’s 33 structures have a combined replacement value of more than \$3.2 million. All of this work, combined with the visitor safety requirements of the overnight uses, requires the attention of a full-time superintendent.

An analysis of site proximity and span of control to identify other state parks and recreation areas that could adopt a coordinated management structure could be completed by Dec. 31, 2012. DPR already coordinates site-level management to increase efficiency and effectiveness. In addition to the 39 state parks and recreation areas identified in this study, the Division of Parks and Recreation also has the responsibility for 20 State Natural Areas, seven State Lakes, four State Rivers and four State Trails, which are managed as “satellite” units by staff of nearby parks. The superintendent and staff of the “parent” park are responsible for site protection, public safety, boundary management, natural and cultural resource management and educational uses of satellite units assigned to that park. In addition, state parks are often assigned to a “parent” park when they are first established. A separate superintendent is hired when the new park’s facilities and visitation create a workload too great for one superintendent. For example, Lake Waccamaw State Park, Dismal Swamp State Park and Fort Fisher State Recreation Area were at one time satellites of other parks, but are now independent operations.

Finding 3: Expanding fees and adopting public-private partnerships would reduce reliance on state funding.

Recommendation 2C: *Adopt public-private partnerships with non-profit entities for the operations of the Zoo and Aquariums.*

Outsourcing the operations of the Aquariums and the Zoo is a business model that can be considered to offer improvements in the attractions' business-climate operations, allowing more rapid response to market changes and trends. Compliance with the state's guidelines for purchases and contracts creates considerable hurdles for the entrepreneurial efforts of the Aquariums and the Zoo. Rapid responses are needed to secure educational features (animals) and exhibits that become available from time to time. However, it must be noted that outsourcing the operations of the Aquariums and Zoo does not eliminate the need for continued state support, which will be necessary to offer the educational programs and exhibits that engage visitors in active learning.

Zoos and aquariums across the country have been adopting a public-private partnership in which government retains ownership and provides a set amount of operating funds for the facility, which is then reorganized into a private non-profit organization to operate the site, generate additional revenues and raise private funds for capital improvements. Such a public-private partnership could increase the flexibility of site operations, which may lead to increased efficiencies while achieving the mission of connecting people to wildlife and wild places.

The Zoo is currently exploring the feasibility of entering into a public-private partnership with a nonprofit organization. Though the Aquariums have begun preliminary investigations regarding a possible public-private partnership model, a complete and thorough investigation needs to be undertaken.

We do not agree that outsourcing the Aquariums' operations will lead to savings for the state. Significant reductions in operating funds for the Aquariums have already occurred. State support for Aquarium operations has been reduced from \$11 million in 2006-2007 to \$7.65 million for 2011-2012. This represents a 30 percent reduction in state support. Further reductions in state support can only be achieved through the development of new revenue. In addition, state support for maintenance and repairs at the Aquariums has been insufficient to keep the facilities in reasonable condition. This will need to be addressed and supported.

Recommendation 2D: *Explore opportunities to develop and expand public-private partnerships with non-profit entities and fees.*

DENR concurs with the report's recommendation to study and analyze current fees and fee structures, explore corporate sponsorships and explore alternative operations of the Zoo and Aquariums by nonprofit support groups. The Aquariums have already begun analyzing their fees to determine if increases are appropriate and will be supported by visitors. A thorough analysis can determine if current fees are appropriate or should be increased and/or changed. Decisions about discounting should be made in light of the site's markets and the industry standard to determine what is most appropriate. Note that the state parks system recently conducted a study of fees and the results were provided to the Program Evaluation Division during the course of its study.

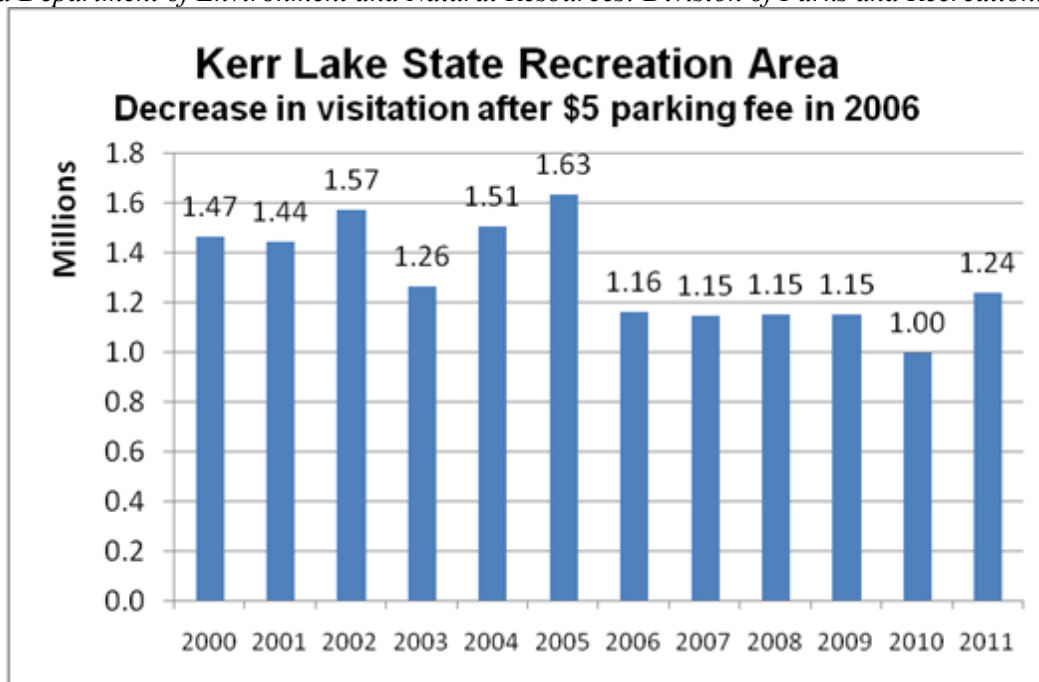
DENR does not support the introduction of fees at the Museum of Natural Sciences. The museum does not charge an admission fee but does charge fees for special exhibits and 3-D movies and raises revenues for programming through gift shop and restaurant sales. The Museum leverages the economic benefit of

its large visitation by having special exhibits, movies, restaurants and gift shop operations that bring substantial revenues to support the Museum activities. The Museum, the Museum Advisory Commission and the Friends of the Museum Board feel strongly that the Museum should remain free so everyone in North Carolina can benefit from Museum exhibits and educational programs. As stated in the report, some major gifts and grant funding is predicated on the absence of admission fees. Charging for admission would deter some donations and grants and undermine the existing revenue centers.

Additional Comments:

Please note on page 3 of the report (last paragraph) the report mentions the economic impact of the Art Museum and the N.C. Zoo. It should also be noted here that the estimated economic impact for local communities of the North Carolina state park system is \$409 million annually while providing 4,924 full-time equivalent jobs. (See: *Economic Contribution of Selected North Carolina State Parks, 2008, Prepared by Greenwood and Vick, NCSU PRTM.*)

Please note on page 20 of the report (fifth paragraph), they report says research on park visitation suggests admission fees and fee increases have little if any effect on visitation, and references a study by K. Lindberg. This is not consistent with DPR's experience at the Kerr Lake State Recreation Area, where visitation was noticeably depressed following a fee increase in 2006, and still has not recovered to former levels. These results are reported in the recent study of state park parking fees completed for the General Assembly (See: *Assessment of Parking Fees for the North Carolina State Parks System. 2010. North Carolina Department of Environment and Natural Resources: Division of Parks and Recreation.*)



Other studies about fee increases and the effect on visitation suggest that local visitors with few travel costs may go elsewhere if a higher fee is charged at a park, and that fees can actually be used to decrease visitation in sensitive areas or at congested times. (Kreg Lindberg. Paul Eagles. *Sustainable Tourism in Protected Areas. Tools for Visitor Management.*)

Director John Turcotte
February 7, 2012
Page 6

Please note on page 3 of the report (Exhibit 15) that savings of \$800,000 by adopting a public private partnership for the N.C. Zoo is based on its current level of appropriation, which is approximately \$10.8 million.

Thank you again for allowing the department to comment and respond to PED's recommendations. We look forward to working with the division to continue the improvement of our state's attractions and natural resources.

Sincerely,

A handwritten signature in black ink that reads "Dee Freeman". The signature is written in a cursive style with a long, sweeping underline.

Dee Freeman

Attachment

cc: Manly Wilder
David Knight
Kari Barsness
Cathy Hardy
Lewis Ledford
David Jones
Betsy Bennett
David Griffin