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DCNR Implementation of the Grants Portion of the Snowmobile and All-Terrain Vehicle Program

February 2005

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Study Findings and Recommendations

Background

Snowmobile and all-terrain vehicle (ATV) riding are popular and fast-growing outdoor recreational activities. Well over 200,000 Pennsylvanians own and operate these off-highway vehicles, and thousands more join their ranks each year. The growing popularity of these sports has led to increased demands for additional trails and riding opportunities.

In Pennsylvania, the state has regulated snowmobiles since 1971 and ATVs since 1985. The Department of Conservation and Natural Resources (DCNR) has regulatory responsibility for these off-highway vehicles and administers Pennsylvania's Snowmobile and ATV Program pursuant to the Vehicle Code.

Funding for the Snowmobile and ATV Program comes from dedicated revenues deposited in the Snowmobile/ATV Restricted Revenue Account. Revenues from snowmobile and ATV registration and titling fees, penalties, sales tax commissions, and the sale of related publications and services are deposited into this special account. DCNR uses funds from the account to carry out the registration, safety education, and law enforcement requirements of the Snowmobile and ATV Law and to establish, construct, and maintain snowmobile and ATV trails.

In 1991, the Legislature added a grant-in-aid provision under which the DCNR is to also disburse monies from the Snowmobile/ATV Restricted Revenue Account to municipalities, nonprofit snowmobile clubs, and organizations for the construction, maintenance, and rehabilitation of snowmobile trails and related facilities. In 2001, the grant-in-aid provisions were extended to municipalities and for-profit and nonprofit organizations for ATV trail development on private lands.

Delays occurred in the award of these grants and members of the snowmobile and ATV communities expressed concerns to both DCNR officials and state legislators about the need for program funds to be used to develop additional trail mileage. ATV enthusiasts, in particular, have expressed growing discontent over the amount of registration fee revenues they collectively pay and the number of trail miles available to them for ATV riding.

The Legislative Budget and Finance Committee subsequently directed its staff to examine the operation of the Snowmobile and ATV Program with a primary focus on the implementation of the grant-in-aid portion of the program, the status of grant-funded projects, and the extent to which the program's grant funding is creating additional legal riding opportunities for snowmobile and ATV users. The study also examined program expenditures and the financial condition of the Snowmobile/ATV Restricted Revenue Account.

Findings and Conclusions

1. **The demand for snowmobile and ATV trails in Pennsylvania is at an all-time high. As of November 2004, more than 43,000 snowmobiles were registered for use on approximately 3,783 miles of designated snowmobile trails and 146,000 registered ATVs had access to about 340 miles of public ATV trails in the Commonwealth.¹**

The use of off-highway vehicles is a significant outdoor recreational activity in Pennsylvania. The growing popularity of these sports has led to increased demands for trail expansion and additional riding opportunities. Public snowmobile trails are currently available in State Forests and State Parks, on state game lands, and in the Allegheny National Forest. ATV trails are located predominately on State Forest lands and in the Allegheny National Forest.

The current era of off-road motorized recreation began around 1970 when snowmobiles became the first off-road vehicles to find their way on to State Forest land in large numbers. By early 2004, Pennsylvania had 43,642 active snowmobile registrations. The counties with the largest number of snowmobile registrations are shown below.

Number of Snowmobiles Registered in PA (As of November 2004)			
<u>Ten Highest Counties</u>	Registrations		
	<u>Active</u>	<u>Limited^a</u>	<u>Total</u>
Lancaster	2,642	13	2,655
Erie	1,979	31	2,010
York	1,961	15	1,976
Berks	1,898	10	1,908
Bucks	1,481	10	1,491
Northampton	1,285	6	1,291
Lehigh	1,195	14	1,209
Montgomery	1,124	5	1,129
Wayne	1,038	31	1,069
Allegheny	1,024	6	1,030
All Other Counties	23,544	257	23,801
Unknown	742	15	757
Out-of-State.....	<u>3,729</u>	<u>9</u>	<u>3,738</u>
Statewide Totals	43,642	422	44,064

^aPersons who hold a limited registration are authorized to ride only on land they own or lease.

¹These registration figures represent only a portion of the snowmobiles and ATVs actually in use in the Commonwealth. For example, a 2001 study authorized by the PA Off-Highway Vehicle Association estimated that approximately 340,000 ATVs were actually in use in Pennsylvania. Registration is not required for ATVs used solely for business or agricultural purposes.

Currently, the state's trail system for snowmobiles is relatively well-developed. A total of about 3,000 miles of designated trails are available to snowmobile operators in State Parks and State Forests. An additional 417 trail miles are available on state game lands and 366 trail miles are open in the Allegheny National Forest.

Following the introduction of the snowmobile, other users saw state forests and parks as places to pursue their off-highway vehicle recreation. These other users include ATV, dirt bike, and mountain bike riders. All-terrain vehicle ownership, in particular, has grown at a very rapid pace and, in one recent year, the number of registered ATVs more than doubled. According to industry statistics, Pennsylvania ranks third nationally in the number of ATVs sold and is considered a hot bed of ATV racing and trail riding.

Between 1994 and 2004, the number of ATVs with active Pennsylvania registrations grew from 15,400 to more than 146,000. Another 65,000 ATVs have limited registrations meaning that they can be used solely on land owned or leased by the vehicle operator. The ten counties with the most ATV registrations as of November 2004 are shown below.

Number of ATVs Registered in PA (As of November 2004)			
<u>Ten Highest Counties</u>	<u>Registrations</u>		
	<u>Active</u>	<u>Limited^a</u>	<u>Total</u>
Allegheny	6,674	2,738	9,412
Westmoreland	6,026	3,319	9,345
Luzerne	4,990	1,483	6,473
Fayette	3,269	3,195	6,464
Lancaster	4,446	1,877	6,323
Bucks	5,077	1,107	6,184
York	3,945	1,769	5,714
Erie	4,798	879	5,677
Butler	4,133	1,084	5,217
Clearfield	3,412	1,680	5,092
All Other Counties	93,897	44,335	138,232
Unknown	2,249	333	2,582
Out-of-State	<u>3,566</u>	<u>1,285</u>	<u>4,851</u>
Statewide Totals	146,482	65,084	211,566

^aPersons who hold a limited registration are authorized to ride only on land they own or lease.

While the snowmobile trail system is relatively well-developed, the ATV trail system is still developing. Currently, a total of 229 miles of marked trails in State Forest lands and 108 trail miles in the Allegheny National Forest are available to ATV riders. With more and more Pennsylvanians getting involved

in motorized recreation, the need to find additional appropriate recreation sites is great.

The demand for additional trail mileage has been strongest among members of the ATV community who feel that the trail mileage available to them is not commensurate with the number of ATV registrations and their financial contributions to the Snowmobile/ATV Restricted Revenue Account.

2. **Although authorized to award snowmobile grants since 1991, DCNR did not award any grant-in-aid funding through the program until 2002. Since that time, DCNR has awarded a total of \$4.7 million in grants for 19 snowmobile and ATV projects, of which about \$3.0 million had been disbursed as of October 2004.**

DCNR is responsible for administering the grant-in-aid provisions of the Snowmobile and ATV Law. Under these provisions, DCNR is authorized to award grants to municipalities and profit and nonprofit organizations in connection with snowmobile and ATV use on lands not owned by the Commonwealth. The Department may also award grants to profit and nonprofit organizations for the maintenance and rehabilitation, but not the construction of, snowmobile and ATV trails on land owned by the Commonwealth. Grant authorization for snowmobile-related grants was in the law since 1991, while ATV grant authority was added in 2001.

In 2001, DCNR developed a grant application, review, and approval process for snowmobile and ATV grants. During the ensuing three fiscal years, the Department has awarded a total of 19 grants totaling \$4.7 million, as follows:

- *In January and May of 2002*, DCNR awarded eight grants totaling \$1.7 million to the grantees listed below. As of October 2004, DCNR had disbursed \$1.2 of the \$1.7 million awarded.

	<u>Awarded</u>	<u>Disbursed</u>
The Conservation Fund	\$1,000,000	\$1,000,000
Black Gold Heritage Trails, Inc.	378,000	32,069
Horst Cycle, Inc.....	100,000	0
Greene County.....	80,000	40,000
Four Seasons Resort, Inc.	77,000	76,334
Northeast PA Sno Trails, Inc.....	36,000	18,000
Earth Conservancy	32,000	16,000
Hyner Mountain Snowmobile Club	<u>3,000</u>	<u>2,783</u>
FY 2001-02 Total	\$1,706,000	\$1,185,186

Individual grant amounts ranged from \$3,000 awarded to a snowmobile club for trail rehabilitation to \$1.0 million awarded to a conservation organization to aid in the acquisition of approximately 11,400 acres for open space preservation and

outdoor recreation, of which 1,000 acres was to be used for motorized trails and areas.

- *In January 2003*, DCNR awarded an additional six grants totaling \$763,300 to the grantees listed below. Only about 7 percent of this amount had been disbursed as of October 2004.

	<u>Awarded</u>	<u>Disbursed</u>
Central PA ATV Association, Inc.	\$500,000	\$ 0
McKean County	123,000	0
Allegheny Ridge Corporation	55,000	0
Presque Isle Snowmobile Club, Inc.	34,300	28,152
Four Seasons Resort, Inc.	14,000	14,000
Laurel Highlands Snowmobile Club	<u>10,000</u>	<u>9,000</u>
FY 2002-03 Total	\$736,300	\$51,152

Grant purposes included, for example, planning, site development, environmental studies, the purchase of a utility vehicle to maintain snowmobile trails, and \$500,000 for the acquisition of 2,050 acres for the development of motorized and non-motorized trails.

- *In March 2004*, DCNR awarded five additional grants with a dollar value of \$2.2 million to the grantees listed below. The amount disbursed as of October 2004 was \$1.8 million.

	<u>Awarded</u>	<u>Disbursed</u>
Cambria County Conservation & Recreation Authority....	\$2,000,000	\$1,800,000
Northeast PA Sno Trails, Inc.....	90,000	0
North Central PA Regional Planning & Dev. Corp.....	60,000	0
PA State Snowmobile Association.....	40,000	0
ATV Traction, Inc.	<u>30,000</u>	<u>0</u>
FY 2003-04 Total	\$2,220,000	\$1,800,000

Of these, the largest was a \$2.0 million grant to the Cambria County Conservation and Recreation Authority for Project Ridge RIDER. This project involves the acquisition of 6,000 acres of former mining land to create a multi-use, motorized recreation area. (See also #8.)

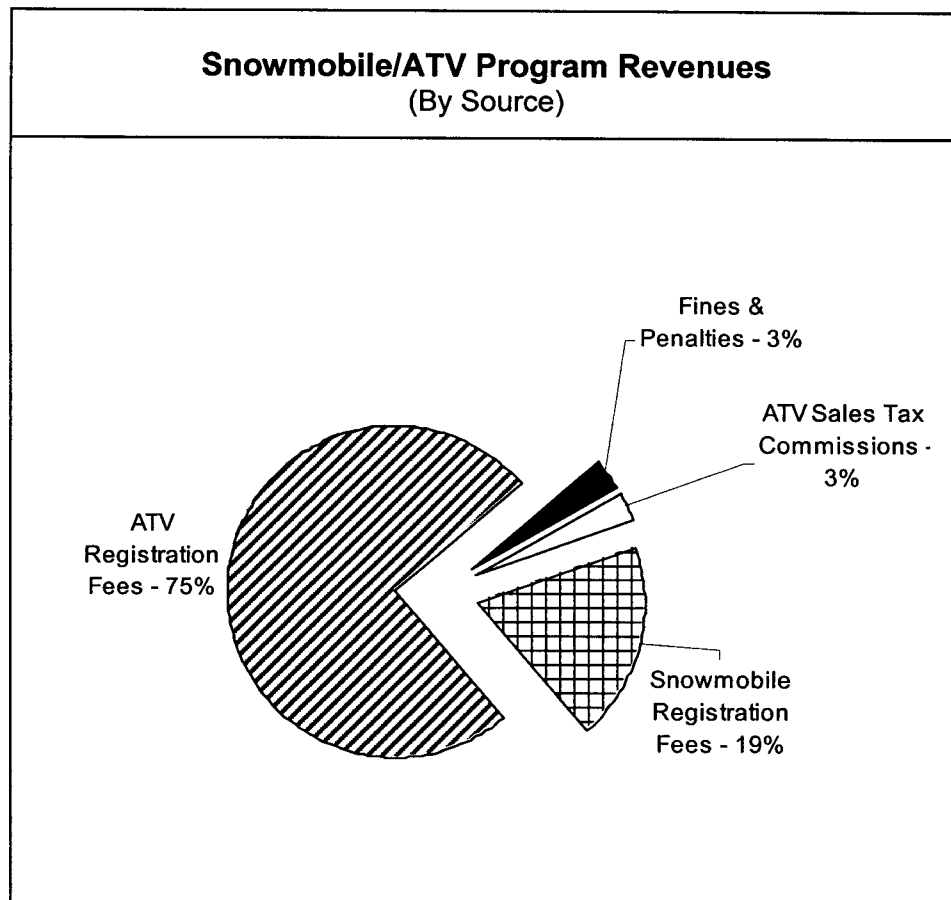
DCNR reports that it has received five applications for grants to be awarded in the FY 2004-05 grant round.

3. Revenues generated from snowmobile and ATV registrations account for 94 percent of Snowmobile/ATV Program revenues, with ATV registration fees accounting for about three-quarters of the total since FY 2001-02.

Snowmobile and ATV Program revenues are derived from Snowmobile and ATV registration fees, Snowmobile/ATV fines and penalties, and sales tax

commissions. Revenues from these sources are deposited in the Snowmobile/ATV Restricted Revenue Account. During FY 2003-04, revenues from these sources amounted to \$3.7 million, an increase of 178 percent over their FY 1998-99 level.

The relative contributions of each of the revenue sources for the period FY 2001-02 through FY 2003-04 are shown below:

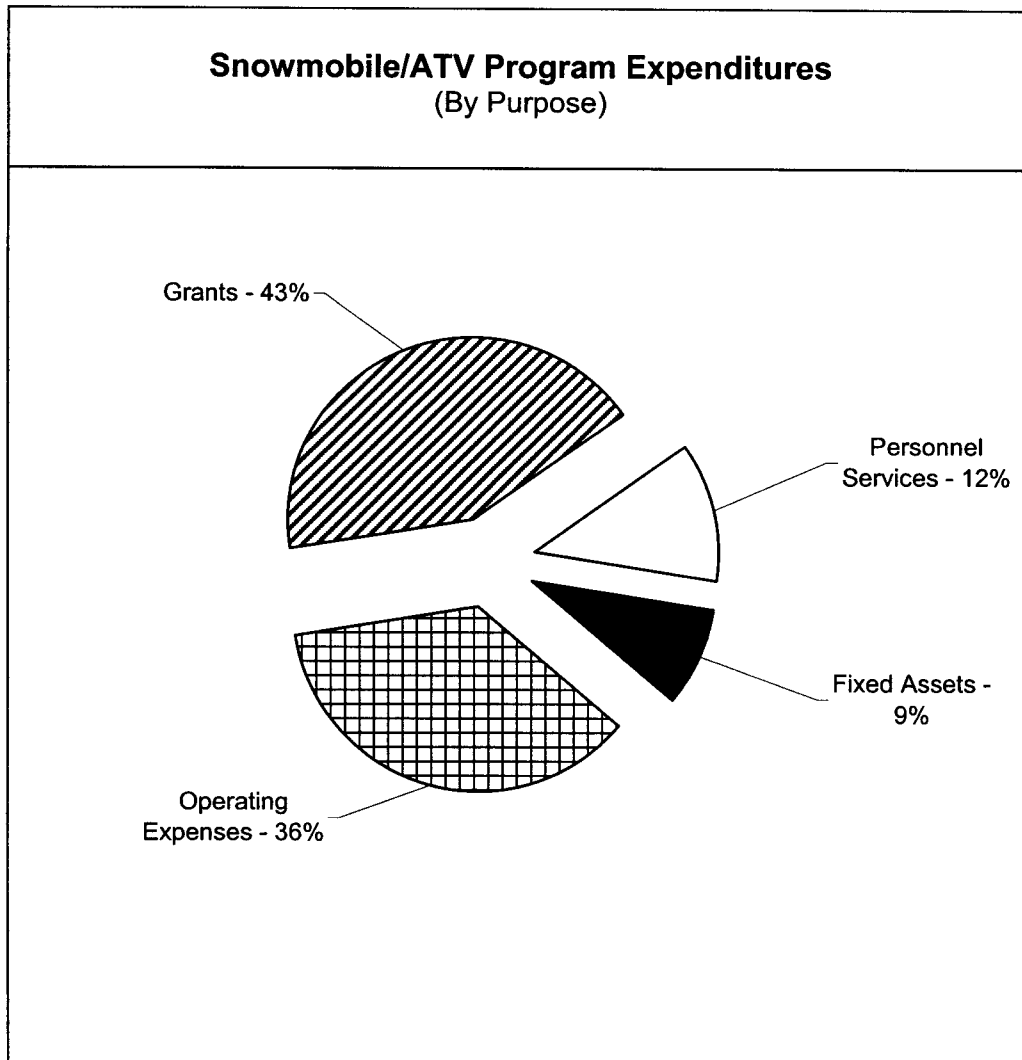


The vast majority of the increase in program revenues is due to steadily increasing interest and participation in off-road motorized recreation, especially in the very rapid growth of ATV ownership. Between 1994 and 2004, the number of ATVs with active Pennsylvania registrations grew from 15,400 to more than 146,000.

4. **Since DCNR implemented the grant portion of the Snowmobile/ATV Program in 2001, spending for grant awards has accounted for about 43 percent of total program spending.**

DCNR administers the program using funds from the Snowmobile/ATV Restricted Revenue Account. Program expenditures, which totaled \$6.1 million in FY 2003-04, include: (1) registration, titling, safety education, and law

enforcement activities; (2) construction and maintenance of snowmobile and ATV trails on DCNR-managed parks and forests; and (3) grants-in-aid to municipalities and other profit and nonprofit organizations to develop additional riding opportunities through trail development.



With the initiation of the grant portion of the program in FY 2001-02, expenditures have increased substantially. Over the past three fiscal years, expenditures in the form of grants-in-aid have accounted for about 43 percent of all program expenditures.

5. About 86 percent of the total value of grants awarded through the Snowmobile/ATV Program as of late 2004 was for land acquisition. While the intent is to develop trails on these lands, program grants have not yet had a substantial impact on increasing snowmobile or ATV trail mileage.

Land acquisition has been the major focus of projects funded during the first three grant rounds. As shown below, 6 of the 19 grant-funded projects account for \$4.0 million of the \$4.7 million in grant awards.

Type and Dollar Value of Projects Funded With Snowmobile and ATV Program Grants			
<u>Project Type</u>	FY 2001-02 Through FY 2003-04		
	<u>Number of Projects</u>	<u>Dollar Value of Grants</u>	<u>Disbursed Thru 9/30/04</u>
Land Acquisition	6	\$3,998,000	\$2,832,069
Planning/Feasibility Studies.....	5	350,000	56,000
Trail Development/Maintenance.....	5	228,300	121,269
Purchase of Vehicles or Equipment	2	46,000	27,000
Other Activities – Interactive Website.....	<u>1</u>	<u>40,000</u>	<u>0</u>
Totals	19	\$4,662,300	\$3,036,338

While the lands acquired through these acquisitions are to be used to expand the snowmobile and ATV trail systems, only two of the six projects had been finalized at the time of this study. Through late 2004, an additional 20 miles of ATV trails had been developed on this land.

6. **Only 4 of the 19 projects funded with Snowmobile/ATV Program grants had been completed as of late 2004. Most projects are currently either open or in a delayed action status. While the grants awarded to date have not yet resulted in a substantial increase in trail mileage, the land acquisitions, feasibility studies and site development plans the grants are funding are laying the groundwork for what should be substantial increases during future years. Other projects appear to have encountered roadblocks and require further monitorship and attention by DCNR.**

DCNR considers a project complete when all agreed upon project activities are complete, the project has been inspected and approved, and final grant payment arrangements are made. As of late 2004, only 4 of the 19 projects met these criteria.

Completed Projects. (See project summaries on pages S-10 and S-11.) Among the projects completed using grant monies are two motorized trail development and maintenance projects at the Four Seasons Resort in Washington County. The total of the two grant awards was \$91,000. Another \$3,000 grant to a local snowmobile club was responsible for the rehabilitation of a snowmobile trail in Sproul State Forest. The largest of the completed projects involved a \$1.0 million grant to the Conservation Fund for land acquisition. In this case, acreage in northcentral Pennsylvania (known as the Litke Tract) was turned over to DCNR

to be managed as part of the Sproul State Forest. DCNR set aside a portion of this new State Forest land and opened an additional 20 miles of ATV trails in this area in July 2003 with additional mileage planned.

Open Projects. (See project summaries on pages S-10 and S-11.) Fifteen of the 19 projects remained open as of late 2004. Among these are projects that are in-process, delayed, or, in some cases, inactive. Among the projects classified as in-process are land acquisitions, feasibility studies, site planning and development, equipment purchases, and infrastructure improvements.

Projects in this category include four in which planned land acquisitions have run into difficulty. In some cases, the land parcels for which the grant was originally awarded are no longer available, including the Black Gold Heritage Trails, Inc. parcel in Somerset County and the ATV Traction, Inc. parcel in Erie County. Two others have also encountered delays. These are the Central PA ATV Association, Inc. in Clearfield County and the Northeast PA Sno Trails, Inc. parcel in Susquehanna and Wayne Counties.

Studies to determine the feasibility of developing motorized vehicle trails in specific areas of the state are in various stages of completion. DCNR awarded grants for these studies to Greene County, the Earth Conservancy, and the North Central PA Regional Planning and Development Commission. An additional master site development plan and environmental study for the expansion of ATV trail mileage in the Allegheny National Forest is underway in McKean County.

Two other grants are connected to what is the largest and most costly project thus far undertaken with Snowmobile/ATV grant funding. DCNR awarded these grants to the Allegheny Ridge Corporation (\$55,000 for a planning and feasibility study) and to the Cambria County Conservation and Recreation Authority (a \$2.0 million land acquisition grant). These two groups are working together with DCNR to acquire and develop approximately 6,000 acres of lands formerly used for mining to create a multi-use, motorized recreation area in Cambria and Clearfield Counties to be known as the Rock Run Recreation Area. See #8 for further information on this project.

Other projects in-process include construction of a snowmobile trailhead facility (Presque Isle Snowmobile Club, Inc. in Erie County) and the acquisition of snowmobile trail maintenance equipment (the Laurel Highlands Snowmobile Club in Somerset and Westmoreland Counties, and Northeast PA Sno Trails, Inc. in Lackawanna, Susquehanna, and Wayne Counties).

One grant (to Horst Cycle, Inc.) to further develop a 45-acre ATV riding trail in Antrim Township in Franklin County has been inactive for a long period and

The Status of Snowmobile and ATV Program Grants Awarded by DCNR (2001 Through 2004)

Grant Recipient	Grant Amount	Grant Purpose	Counties	\$ Disbursed to 10-31-04	Grant Project Status
FY 2001-02 Grants					
The Conservation Fund	\$1,000,000	To acquire approximately 11,400 acres for open space preservation and outdoor recreation, including motorized trails.	Centre Clinton	\$1,000,000	Land acquisition complete and turned over to DCNR (the Litke Tract)
Black Gold Heritage Trails, Inc.	378,000	To acquire approximately 1,440 acres for development of motorized and non-motorized trails in Fairhope Township.	Somerset	32,069	Intended acreage no longer available; grantee seeking a suitable alternative site.
Horst Cycle Inc.	100,000	To further develop a 45 acre ATV riding trail in Antrim Township.	Franklin	0	No action.
Greene County	80,000	To study the feasibility of developing motorized vehicle trails.	Greene	40,000	Feasibility study not yet completed.
Four Seasons Resort Inc.	77,000	To further develop and maintain ten miles of motorized trails in West Finley Twship.	Washington	76,334	Trail development and maintenance completed.
Northeast PA Sno Trails, Inc.	36,000	To purchase snowmobile trail maintenance equipment for ongoing maintenance of 150 trails.	Lackawanna Susquehanna Wayne	18,000	Equipment acquisition not yet complete.
Earth Conservancy	32,000	To study the feasibility of developing ATV sites, including motorized trails and a motor sports park (lower Wyoming Valley).	Luzerne	16,000	Feasibility study not yet completed.
Hlyner Mountain Snowmobile Club	3,000	To rehabilitate .2 miles of a snowmobile trail at Sproul State Forest.	Clinton	2,783	Rehabilitation work completed.
FY 2001-02 Totals	\$1,706,000			\$1,185,186	
FY 2002-03 Grants					
Central PA ATV Association, Inc.	\$500,000	To acquire 2,050 acres for development of motorized and non-motor trails.	Clearfield	\$ 0	Grantee experiencing difficulty in generating required matching funds.
McKean County	123,000	To prepare a master site development plan/environmental study for ATV trails.	McKean	0	Site development plan and impact study are underway.

	Grant Recipient	Grant Amount	Grant Purpose	Counties	\$ Disbursed to 10/31/04	Grant Project Status
FY 2002-03 Grants (Continued)	Allegheny Ridge Corporation (Project Ridge RIDER)	\$ 55,000	To continue development of a Regional Motorized Recreation Plan covering a 12-county area in southwestern PA.	Multiple	\$ 0	Planning and development of Rock Run Recreation Area underway.
	Presque Isle Snowmobile Club, Inc.	34,300	To further develop a club trailhead facility.	Erie	28,152	Construction underway.
	Four Seasons Resort, Inc.	14,000	To further develop and maintain motorized trails.	Washington	14,000	Trail development and maintenance completed.
	Laurel Highlands Snowmobile Club	10,000	To purchase a utility vehicle for maintaining snowmobile trails	Somerset Westmoreland	9,000	Equipment acquisition in process.
	FY 2002-03 Totals	\$ 736,300			\$ 51,152	

	Grant Recipient	Grant Amount	Grant Purpose	Counties	\$ Disbursed to 10/31/04	Grant Project Status
FY 2003-04 Grants	Cambria County Conservation and Recreation Authority (Project Ridge RIDER)	\$2,000,000	To acquire 6,000 acres of former mining land to create a multi-use, motorized recreation area.	Cambria Clearfield	\$1,800,000	Land acquisition completed; site plan and business plan development to follow.
	Northeast PA Sno Trails, Inc.	90,000	To acquire a 13-mile section of Ontario & Western Railroad to preserve a vital link in a 150-mile snowmobile trail system.	Susquehanna Wayne	0	Project delayed—may require an extension.
	North Central PA Regional Planning and Development Commission	60,000	To determine the feasibility of developing ATV trails on private lands in the six-county area represented by the Commission.	Cameron, Clearfield, Elk, Jefferson, McKean, Potter	0	RFP issued.
	PA State Snowmobile Association	40,000	To develop an interactive website and CD-ROM to provide information to snowmobilers on trail locations, accommodations, directions, and other amenities near trails.	Statewide	0	DCNR is working with grantee to develop a more specific scope of work statement.
	ATV Traction Inc.	30,000	To acquire a 15-acre parcel in Girard Township to develop a trailhead and education facility.	Erie	0	Intended land parcel no longer available—further plans uncertain.
FY 2003-04 Totals	\$2,220,000			\$1,800,000		

DCNR reports that actions have been initiated to close the project. Another grant to the PA State Snowmobile Association for development of an interactive website for snowmobile information is also in the “no action” category.

- 7. While recognizing the need for additional trails and riding opportunities, DCNR views further snowmobile and ATV trail development on state-owned lands as being in conflict with the Department’s natural resource stewardship responsibilities. As an alternative, the Department is using grant funding available through the Snowmobile and ATV Program to encourage private businesses, government entities, and other nonprofit organizations to buy land, develop plans, conduct surveys, and construct and maintain trails on non-state-owned lands.**

In awarding Snowmobile and ATV Program grants, the Department’s task is to balance the development of environmentally-sensitive off-highway vehicle (OHV) trails with natural resource protection. In this effort, DCNR must achieve a balance between those who pay snowmobile and ATV registration fees and want to see expanded riding opportunities and those who believe that further trail development is inconsistent with the Department’s stewardship responsibilities.

As of 2000, DCNR had not yet implemented the snowmobile grant provisions of the law, and grant authority for ATV trail development had not yet been enacted. Meanwhile, the balance in the Snowmobile/ATV Restricted Revenue Account continued to grow and DCNR did not have a systematic plan or approach for dealing with snowmobile and ATV trail development issues. DCNR also faced questions and concerns from members of the snowmobile and ATV communities about how funds from their registration fees were being used.

At the same time, off-highway vehicle usage, and in particular, ATV riding on state lands was becoming increasingly problematic. In most areas, illegal riding activity was the most significant forest management problem identified by DCNR district foresters. To address the problem, DCNR hired additional rangers for enforcement purposes and established a moratorium on further trail development on state-owned public lands. On the other hand, DCNR also recognized its responsibility to use funds generated from ATV and snowmobile registration fees to help develop additional places for people to ride. In 2001, legislation was enacted that gave the Department authority to award grants for trail development on private lands not administered by DCNR. Since that time, DCNR has implemented a grant program and has taken a more aggressive approach to providing additional riding opportunities.

- 8. DCNR’s current approach to expanding the state’s snowmobile and ATV trail systems is focused on promoting trail development on non-state public and private lands. One method being used by DCNR seeks to expand recreational opportunities while reclaiming abandoned mine lands and contributing**

economic development benefits. The initial example of this method is the currently ongoing development of the Rock Run Recreation Area in Cambria and Clearfield Counties. This project involves the development of a multi-use motorized recreation trail complex on a 6,000 acre tract formerly used for strip mining. The concept behind this project has significant potential for application in other parts of the Commonwealth.

DCNR's use of a multi-use motorized trail development approach seeks to expand recreational opportunities by reclaiming abandoned mine lands (AML) and converting them to multi-use parks and riding areas. With this approach, Pennsylvania's 250,000 plus acres of abandoned mine lands become a significant, untapped resource from a recreational perspective.

This approach is an outgrowth of Project Ridge RIDER, a concept introduced by the Allegheny Ridge Corporation in 1999 as part of a "regional motorized recreation plan" for a 12-county area in southwestern Pennsylvania. The concept assumes that AML can be transformed to multi-use recreation areas while, at the same time, producing both environmental and economic benefits.

A project of this type, known as the Rock Run Recreation Area, is currently receiving funding support from Snowmobile/ATV grants. The Allegheny Ridge Corporation is using a \$55,000 planning and feasibility study grant to assist the Cambria County Conservation and Recreation Authority in planning and developing Rock Run on a 6,000 acre tract formerly used for strip mining in Cambria and Clearfield Counties. The Authority used \$1.8 million of another Snowmobile/ATV grant toward the land acquisition. The development of a master site plan and business plan was to begin in late 2004, along with the establishment of a nonprofit entity to operate and maintain the site.

The Rock Run Recreation Area will provide for a number of compatible recreational pursuits. In addition to snowmobiling and vehicular travel by ATVs, motorcycles and four-wheel drive vehicles, there will be opportunities for other recreational purposes, including, but not limited to, bicycling, mountain biking, cross-country skiing, hiking, jogging, fitness, nature trail activities, horseback riding, and aquatic activities. According to DCNR officials, the Rock Run Recreation Area is expected to open by spring 2007.

The viability of this concept is evident in the success of the nationally-recognized Hatfield-McCoy Regional Recreation Area in West Virginia. West Virginia has been successful in taking a comprehensive approach to using motorized recreation-related tourism as a catalyst for business growth and economic development. Pennsylvanians currently comprise the third largest category of visitors to the Hatfield-McCoy site.

DCNR believes that expansion of the “Rock Run model” to other sites provides an opportunity to expand recreational opportunities in the Commonwealth. To this end, the Department is in the process of surveying the state to identify additional potential sites for multi-use motorized recreation areas.

Ideally, this approach could contribute to the development of a statewide trail system that will encourage tourism and economic growth while substantially reducing the problem of motorized trail riding in inappropriate areas.

- 9. Since 2001, DCNR has taken an increasingly proactive approach to promoting motorized trail development statewide. However, the Department has not yet formally documented its plans and timetable to promote trail development on non-state public and private lands or publicly communicated its short- and long-range goals and objectives in a “Statewide Snowmobile/ATV Plan” or other public document.**

Motorized outdoor recreation is an important part of the Commonwealth’s total recreation system. While the current era of this form of recreation began around 1970, Pennsylvania has not employed a systematic approach to plan and develop the state’s snowmobile and ATV trail systems.

Although references to outdoor motorized recreation appear in several DCNR policy and planning documents, none contain what could be considered a “snowmobile/ATV development plan.” Given the growing popularity of these sports, especially in terms of ATV ridership, and the resulting demands for additional riding opportunities, it appears a more formal planning process is warranted.

We found that Minnesota, another state with a significant number of off-highway vehicles, uses a formal planning process in establishing a regional “off-highway vehicle system plan.” Planning efforts have reportedly been underway in this state since the early 1990s in response to a legislative mandate to develop a comprehensive plan for managing off-highway vehicles. Minnesota law also stipulates that the state’s snowmobile and ATV grant program be consistent with and guided by the state’s comprehensive outdoor recreation plan.

- 10. The Department continues to operate the Snowmobile/ATV Program through three separate bureaus, and no one position below the Office of the Secretary has overall responsibility for program management and oversight.**

The Snowmobile/ATV Program is administered out of three different DCNR bureaus. As shown below, registration and titling activities are assigned to the Snowmobile/ATV Licensing Unit in the Bureau of Administrative Services. Budget and fiscal matters are also handled by the Bureau of Administrative Services. Operational oversight, including safety issues and law enforcement,

are administered by the Bureau of Forestry and grant projects are managed by the Bureau of Recreation and Conservation.

Snowmobile/ATV Program Functions	
<u>Function</u>	<u>Assigned to DCNR:</u>
Registration/Titling Activities.....	Bureau of Administrative Services
Budget and Fiscal.....	Bureau of Administrative Services
Operational Oversight.....	Bureau of Forestry
Grant Program.....	Bureau of Recreation and Conservation

While the program's size may not warrant a separate and distinct program office, the current arrangement is disjointed and is not conducive to coordinated program administration and oversight across functional lines.

In a 1993 audit report, the Comptroller's Office cited problems with this organizational structure and recommended that DCNR assign responsibility for overall program oversight. DCNR contended that the existing structure is the most efficient way to operate this program and stated that program activities would continue to be shared among the three bureaus. In this arrangement, the Secretary's Office is to perform a coordination role and liaison with the Snowmobile/ATV Advisory Committee.

Recommendations

1. **DCNR, with the advice and assistance of the Snowmobile and ATV Advisory Committee, should develop a multi-year "Snowmobile/ATV Trail Development Plan."** This plan, for example, should:
 - a. set forth a strategy with specific goals and objectives to guide snowmobile and ATV trail development and maintenance in the Commonwealth over the next five years;
 - b. identify regional needs based on registration and usage data and the results of snowmobile and ATV user surveys;
 - c. establish trail development priorities on a regional basis;
 - d. provide guidelines for the award and usage of Snowmobile/ATV Program grants; and
 - e. articulate the Department's policy position on further development of trails on state-owned lands and outline its current approach to promoting the development of multi-use, motorized recreation trails and parks on non-state-owned lands.

The development of such a plan would supplement the more general references to motorized trail development which are currently contained in other DCNR documents.² This plan would also fulfill the intent of a March 2000 internal DCNR directive requiring a multi-year ATV Plan. By June 30, 2005, DCNR should make copies of the plan available to the Legislature, all stakeholder groups, pertinent state agencies, and interested members of the general public for review and comment. DCNR should issue a final version of the plan by September 30, 2005, and thereafter provide for periodic plan updates.

2. **The DCNR Secretary should consider designating one of the three bureaus currently involved in administering the Snowmobile/ATV Program as the “lead office” responsible for overall program coordination.** In addition to other program activities, the designated bureau (for example, the Bureau of Recreation and Conservation) would be responsible for:
 - a. coordinating program administration as well as implementing the “Snowmobile/ATV Trail Development Plan” proposed in Recommendation #1; and
 - b. taking steps to enhance grant oversight and grantee accountability; consistent with the Snowmobile/ATV Program’s standard grant agreement, the Bureau should:
 - ensure that all grantees designate a local project coordinator to communicate and deal with the Department on all project matters;
 - require that grantees submit quarterly progress reports to the DCNR central office on all grant-funded projects in a uniform reporting format specified by the Department;
 - on at least a sample basis, arrange for or require that significant grants (e.g., over \$100,000) be subject to an audit in accordance with procedures and standards specified by the Department;
 - make unannounced site visits to a sample of sites during the development phase of grant-funded projects; and, upon completion, make unannounced inspections of the selected grant project sites (e.g., by DCNR Regional Recreation and Park Advisors) to ensure that the site is maintained properly and in accordance with applicable state and local requirements and that it is kept in reasonable repair, so as to prevent undue deterioration and dangerous conditions and to encourage public use. The term “site” means the properties and facilities acquired, rehabilitated, or developed under the grant agreement; and

²Including documents such as *DCNR’s Blueprint for Action: Shaping a Sustainable Pennsylvania* and the *State Forest Resource Management Plan*.

- develop guidelines for invoking the project suspension or termination³ provisions of the grant agreement when grant-funded projects are inactive for long periods of time or are no longer feasible (e.g., due to a failure by the grantee to provide required matching funds); in such cases, funding should be redirected to other more viable projects.
3. **DCNR should develop and submit annual progress reports to pertinent legislative standing committees on the status of projects funded with Snowmobile/ATV Program grants.** The first such report should be provided to the House Environmental Resources and Energy Committee, the House Tourism and Recreational Development Committee, the Senate Community and Economic Development Committee, and the Senate Environmental Resources and Energy Committee by June 30, 2005. Among other information, these reports should provide status and financial information on each grant-funded project as well as an update on new trail mileage planned and/or added to the state's snowmobile and ATV trail systems since the last report. DCNR should also include information on actions taken to implement the "Snowmobile/ATV Trail Development Plan" proposed in Recommendation #1.
 4. **DCNR, in conjunction with its local partners, should consult with the Department of Community and Economic Development (DCED) to develop a marketing strategy that will maximize the potential tourism and economic development benefits of the planned Rock Run Recreation Park and any subsequent multi-use, motorized projects developed on the Rock Run model.** DCNR should also seek input in this process from pertinent legislative standing committees and state and local tourism industry associations. (See Section _ for further information on the Rock Run Recreation Area that is being developed on a 6,000 acre tract formerly used for mining in Cambria and Clearfield Counties.)⁴
 5. **In developing the Rock Run Recreation Park, DCNR and its local partners should actively seek private support and participation from the OHV manufacturing industry.** Given Pennsylvania's position as the third largest market for off-highway vehicles, the industry would likely provide financial and other support for exposure and advertising purposes. The industry reportedly responded in this way to the development of a similar facility, the Hatfield-McCoy Regional Recreation Area, in West Virginia.

³Under the standard agreement between DCNR and the grantee, failure by the grantee to fulfill the obligations of the grant agreement "in a timely and proper manner" are sufficient cause for termination of the grant.

⁴A similar recreation park in West Virginia, the Hatfield-McCoy Regional Recreation Area, annually attracts visitors from 46 states and 6 countries. The West Virginia site has reportedly had a significant beneficial impact on the economies of the rural areas surrounding the park.

I. Introduction

The Department of Conservation and Natural Resources (DCNR) administers the Commonwealth's Snowmobile and All-Terrain Vehicle (ATV) Program. The Legislative Budget and Finance Committee directed its staff to examine the operation of this program with a focus on the expenditure of program funds and the status of the grant-in-aid portion of the program.

Study Objectives

1. To review the overall administration of the Snowmobile and All-Terrain Vehicle (ATV) Program in the Pennsylvania Department of Conservation and Natural Resources (DCNR).
2. To examine DCNR implementation of that portion of the Snowmobile and ATV Program under which grants are to be made to municipalities and profit and nonprofit organizations (e.g., for the construction, maintenance, and rehabilitation of trails for snowmobiles and ATVs).
3. To examine the funding of the Snowmobile and ATV Program and analyze program expenditures, focusing on grants awarded from the Snowmobile/ATV Restricted Revenue Account.
4. To determine the current financial condition of the Snowmobile/ATV Restricted Revenue Account and planned and projected grant activity.
5. To develop findings and recommendations, as appropriate.

Scope and Methodology

This study focused on the grant-in-aid portion of the Snowmobile and ATV Program as well as the financial condition of the Snowmobile/ATV Restricted Revenue Account. To provide perspective on the current program, we reviewed the legal history and chronology of the state's activities related to snowmobiles and ATVs since the Snowmobile Law was enacted in 1971. The study concentrated, however, on grant and project activities during the period 2001 through late 2004.

During the survey phase of the study, we reviewed the 2001 audit report of the Snowmobile and ATV Program completed by the Comptroller's Office for Public Protection and Recreation. We also met with officials and staff of the Pennsylvania Department of Conservation and Natural Resources to obtain a detailed understanding of the structure, funding, and overall administration of the program.

During this phase of the study, we examined all pertinent program regulations, DCNR policy statements, and public information and descriptive program

materials. We also compiled data on snowmobile and ATV registrations in Pennsylvania and the number of trail miles available for snowmobile and ATV riding, and obtained materials pertaining to snowmobile and ATV programs in selected other states.

In examining the Department's implementation of the grants portion of the Snowmobile/ATV Program, we researched the statutory basis of the program and met with DCNR staff responsible for the grant application, review, and award processes. We examined grant guidelines and the program's relationship to other components of the Community Conservation Partnerships Program (C2P2). This involved a review of DCNR's philosophy on motorized trail development and chronology of related policy developments since 1991. We also documented DCNR's current approach to motorized trail development and future plans for the grant program.

To assess grant activity to date, we reviewed grant award records and examined the Department's files on each of the grant awards made during FY 2001-02, FY 2002-03, and FY 2003-04. To supplement this review, we met with pertinent DCNR staff to discuss the purpose and status of each project and the nature of project management activities.

The study also included an examination of program finances and the financial condition of the Snowmobile/ATV Restricted Revenue Account. We examined program revenues, by source, and expenditures, by purpose, program area, and minor object for the period FY 1998-99 through FY 2003-04, and tracked year-end account balances.

In other related activities, two members of the study team attended the inaugural tour of the Rock Run Recreation Area in Cambria County in July 2004. This is a large multi-use motorized recreation area that is under development and receiving funding from Snowmobile/ATV Program grants. We also obtained information on a similar large snowmobile, ATV, and other trail facility that is operating in West Virginia (known as the Hatfield-McCoy Trails). We also reviewed motorized trail-related economic impact surveys and an ATV user survey that was commissioned by DCNR.

Acknowledgements

LB&FC staff gratefully acknowledges the cooperation and assistance provided by officials and staff of the Department of Conservation and Natural Resources during this study. We wish to thank DCNR Secretary Michael DiBerardinis; John Plonski, Executive Deputy Secretary for Parks and Forestry; Rita Calvan, Deputy Secretary for Administration; Rick Carlson, Director of Policy and Legislation; Larry Williamson, Director of the Bureau of Recreation and Conservation; Michael Lester, Assistant Director for the Bureau of Forestry; Anthony DiGirolomo,

Liaison to the Snowmobile/ATV Advisory Committee; Lynn Loudenslager, Chief of the Division of Office Services; John Koller, Audit Coordinator within the Bureau of Administrative Services; Vanyla Tierney, Chief of the Greenways and Rivers Section; Adam Mattis, Greenways and Trails Specialist within the Greenways and Conservation Partnerships Division; and Scott Cope, Chief of the Grants Projects Management Division.

Additionally, we would like to acknowledge the assistance provided by the Cambria County Conservation and Recreation Authority staff as well as the Rock Run Advisory Board and ATV owners and operators during the inaugural ATV event LB&FC staff attended at the Rock Run Recreation Area. We also acknowledge the statewide associations and other interested persons who worked with us to identify issues and provide input and data for this study.

Important Note

This report was developed by Legislative Budget and Finance Committee staff. The release of this report should not be construed as an indication that the Committee or its individual members necessarily concur with the report's findings and recommendations.

Any questions or comments regarding the contents of this report should be directed to Philip R. Durgin, Executive Director, Legislative Budget and Finance Committee, P.O. Box 8737, Harrisburg, Pennsylvania 17105-8737.

II. Background Information on the Snowmobile and All-Terrain Vehicle (ATV) Program

A. Legal Background

Act 1971-75, known as the Snowmobile Law, required owners of snowmobiles to register their vehicles with the former Department of Environmental Resources (DER). Act 75 also required snowmobile dealers to register with the Department; required snowmobiles to have head lamps, tail lamps, and other safety equipment; established operational requirements; and set forth penalties for violations.

When Act 1976-81 codified the Vehicle Code, the provisions regulating snowmobiles were included in Chapter 77. In 1985, Act 56 amended the provisions of the Vehicle Code relating to snowmobiles to include all-terrain vehicles (ATVs). The Snowmobile and All-Terrain Vehicle Law¹ and registration of ATVs went into effect in September 1985, and the titling of ATVs began in 1987. Act 1991-26 added provisions for a grant-in-aid program to disburse monies to municipalities, nonprofit snowmobile clubs, and organizations for the construction, maintenance, and rehabilitation of snowmobile trails and related facilities.

Act 2001-68 further amended the Snowmobile and ATV Law. The amendment included provisions to reduce illegal riding on public and private lands. Additionally, the new law redefined ATVs, required virtually all new and existing ATVs to be registered, provided for two types of ATV registration, required all new or transferred snowmobiles to be titled, and increased penalties for violations of the law. It also provided for grants to municipalities and profit and nonprofit organizations to help establish new ATV riding opportunities on lands not owned by the Commonwealth and required DCNR to promulgate regulations necessary to enforce the Act 68 amendments.

B. Program Structure and Staffing

In 1973, the Snowmobile Unit was established in the former DER. To implement the Snowmobile Law, the Department created this special unit within its Bureau of Forestry to handle the registration program that began in 1974. DER administered the Snowmobile and ATV Registration Program through 1995. On July 1, 1995, program responsibility was transferred to the new Department of Conservation and Natural Resources when Act 1995-18 reorganized and separated DER into two agencies (i.e., DCNR and the Department of Environmental Protection, or DEP). The program is now referred to as the "Snowmobile/ATV Program."

¹This law does not cover dirt bikes, dune buggies, golf carts, or other mechanized vehicles that could be used off-highway.

Currently, the program is administered out of three different bureaus within DCNR. Registration and titling activities are assigned to the Snowmobile/ATV Licensing Unit in the Bureau of Administrative Services. Budget and fiscal matters are also handled by the Bureau of Administrative Services. Operational oversight, including safety issues and law enforcement, are administered by the Bureau of Forestry. Grant projects are managed by the Bureau of Recreation and Conservation.

To assist it in administering the program, DCNR receives input and assistance from a statutorily created advisory committee. Act 1991-26 established a Snowmobile Trail Advisory Committee that was composed of members representing the State Snowmobile Association and other travel, municipal, and land development associations.

Act 2001-68 changed the name of the committee to the Snowmobile and ATV Advisory Committee. Its 17 members include representatives of various associations who are involved in snowmobiling and ATV riding, and those who have experience in trail development, conservation, and travel. Various municipal associations are represented, and legislative members also serve on the Committee.

Generally, the Committee has the same responsibilities under Act 68 as it did when first established. Specifically, the Committee is to advise the Secretary of Conservation and Natural Resources on matters relating to snowmobiles and ATVs, including existing and proposed regulations, standards, policies, and practices; trail acquisition, construction, development, and maintenance; enforcement; and allocation of fees collected under Chapter 77.

C. Selected Program Information and Guidelines

Definitions

As defined in the law, a snowmobile is an engine-driven vehicle designed to travel over snow or ice, has an endless belt track or tracks, is steered by a ski or skis, and has an overall width of 48 inches or less.

An ATV is a motorized off-highway vehicle that has three or more inflated tires. There are two classes of ATVs: Class I ATV – A motorized off-highway vehicle, 50 inches or less in width, having a dry weight of 800 pounds or less, and traveling on three or more inflatable tires; and Class II ATV – A motorized off-highway vehicle with a width which exceeds 50 inches or having a dry weight which exceeds 800 pounds, traveling on three or more inflatable tires.²

²If a portion of State Forest is posted as open to ATVs, only Class I ATVs may be used. No State Forest land is currently open to Class II ATVs without special permission from a district forester.

Registration and Titling

All ATVs and snowmobiles used in Pennsylvania, except ATVs used solely for business or agricultural purposes, must be registered and titled with DCNR. DCNR's Snowmobile/ATV Section performs these functions. Exhibit 1 summarizes snowmobile and ATV registration, titling, and insurance requirements.

Exhibit 1

Registration, Titling, and Insurance Requirements for Snowmobiles and ATVs*

Type of Vehicle and Where Used	Registration	Title	Liability Insurance ^a
ATV – Operated Off Own Land	Regular Registration: <ul style="list-style-type: none"> • \$20 (plate) • Good for two years 	\$22.50	Required
ATV – Operated Solely on One's Own Land	Limited Registration: <ul style="list-style-type: none"> • Free (plate) • No expiration 	\$22.50	Not Required
Snowmobile – Operated Off Own Land	Regular Registration: <ul style="list-style-type: none"> • \$20 (decal) • Good for two years 	\$22.50 ^b	Required
Snowmobile – Operated Solely on One's Own Land	Limited Registration: <ul style="list-style-type: none"> • Free (decal) • No expiration 	\$22.50 ^b	Not Required

*Note: ATVs used exclusively as utility vehicles for agricultural or business operations are exempt from the requirements in this chart.

^aUnder Act 68, an ATV owner/rider is required to obtain liability insurance if the ATV is ridden off the owner's own land. There are no minimum requirements or coverage standards set for the liability insurance.

^bFor people who owned a vehicle prior to October 23, 2001, no title is required; they are grandfathered in.

Source: *Pennsylvania Snowmobile and ATV Guide*, DCNR, April 2003.

ATVs used exclusively as utility vehicles for agricultural or business operations are exempt from the requirements shown on Exhibit 1, and a limited registration is provided free-of-charge for vehicles operated solely on one's own land. ATVs and snowmobiles owned by non-Pennsylvania residents and operated in Pennsylvania are exempt from these registration requirements if they have a valid registration in their state, province, or country that honors a Pennsylvania registration.

As of November 2004, a total of 43,642 snowmobiles and 146,482 ATVs had active registrations with DCNR. Limited registrations for use solely on land owned or leased by the vehicle operator were on file for 422 snowmobiles and 65,084 ATVs. Lancaster, Erie, and York Counties have the largest number of active snowmobile registrations. Allegheny, Westmoreland, and Luzerne Counties have the most active ATV registrations. (See Appendices A and B.)

Vehicle Operation

The use of snowmobiles is regulated by DCNR under the authority of the Vehicle Code, Chapter 77. It is further regulated by State Forest Rules and Regulations found at 17 Pa. Code, Chapter 21 specifically §21.22. These regulations only permit snowmobile operation on designated trails and designated areas of State Forest land. State Forest land is only open to snowmobiling following the last day of antlerless deer season to April 1, or earlier as determined by the district forester. A valid Pennsylvania registration (or reciprocal state registration) is required.

The regulations also govern ATV use on State Forest land in 17 Pa. Code §21.23a (ATVs), §21.24 (spark arresters), and §21.25 (parking). ATV use is further regulated by the Snowmobile and ATV Law, 75 Pa.C.S. Chapter 77.

Generally, snowmobiles and ATVs may be operated:

- on private property with the consent of the owner;
- on state-owned property on clearly marked and previously designated trails;
- on highways and streets for a short distance when necessary to cross a bridge or culvert;
- on highways and streets during periods of emergency when so declared by a governmental agency having jurisdiction;
- on highways and streets for special events of limited duration that are conducted according to a prearranged schedule under permit from the governmental unit having jurisdiction; and
- on streets and highways that have been designated as “ATV or Snowmobile Roads” by the governmental agency having jurisdiction.

It is not legal to operate a snowmobile or ATV on the following:

- private property without the consent of the owner;
- State Forest trails not designated for ATVs or snowmobiles;
- ATVs: State Forest roads,³ state game lands,³ State Parks; and
- on municipal or state-owned roads or streets that are not signed as open to ATVs or snowmobiles.

Also, a child under age 16⁴ is prohibited from operating anywhere other than land owned or leased by a parent or guardian unless the child has a valid safety certificate or is under the direct supervision of a certified instructor during an approved safety training course.

³Except for a person with disabilities with proper authorization.

⁴A child under age 10 is not eligible for a safety certificate and is prohibited from operating anywhere except private property.

Enforcement

Failure to register a snowmobile or ATV or abide by pertinent laws and regulations can result in fines. First offenses range from \$50 to \$200 plus the cost of prosecution. A second offense carries a fine of \$100 to \$300 plus the cost of prosecution. Failure to register a vehicle or failure to have liability insurance is an automatic \$300 fine plus cost of prosecution. All law enforcement officers in the state, including local and state police, are authorized to enforce the Snowmobile/ATV Law. In general, enforcement responsibilities are as follows:

- State Forest and State Park lands – DCNR Rangers
- State Game Lands – Wildlife Conservation Officers and Deputy WCOs
- Municipal and state roadways – Municipal and State Police
- Private property – Municipal and State Police

Places to Ride

Snowmobiles. State parks and forests offer more than 3,000 miles of snowmobile trails and hundreds of acres of designated snowmobile areas. State Parks also provide trailhead access to snowmobile trails on State Forest land. Trails open the day after the last day of Pennsylvania’s regular or extended rifle deer season and close April 1, or earlier as determined by the district forester or park manager. See Table 1 for a listing of snowmobile trails within Pennsylvania State Parks and State Forests.

Table 1

Snowmobile Trail Mileage in State Parks and State Forests			
DCNR Bureau of Forestry <u>Forest District</u>	Miles of Snowmobile <u>Trails</u>	DCNR Bureau of Forestry <u>Forest District</u>	Miles of Snowmobile <u>Trails</u>
1	128.6	12	303.5
2	76.9	13	97.5
3	137.8	14	0.0
4	99.7	15	255.1
5	200.9	16	175.4
6	24.5	17	0.0
7	324.1	18	40.6
8	21.1	19	128.2
9	208.5	20	59.6
10	367.4	Bureau of Forestry	2,675.6
11	26.2	Bureau of State Parks	335.9 ^a
		DCNR Total	3,011.5 ^b

^aThere are 51 State Parks that have designated snowmobile trails.

^bIncludes 1,564.2 miles of joint use roads.

Source: Developed by LB&FC staff using information obtained from DCNR.

Snowmobilers may ride on state game lands from the third Sunday in January through April 1 on designated snowmobile areas, roads, and trails marked with appropriate signs. Additionally, 366 miles of snowmobile trails are open in the Allegheny National Forest. These trails are open from mid-December through April 1, conditions permitting. Also, many private and local snowmobile riding opportunities exist across the state.

ATV Trails. A total of 229.2 miles of summer trails and 131.1 miles of winter trails exist on State Forest lands. (See Table 2.)

Table 2

ATV Trail Mileage on State Forest Lands

<u>State Forest</u>	<u>Common Name</u>	<u>County</u>	<u>Mileage</u>	
			<u>Summer</u>	<u>Winter</u>
Michaux State Forest	--	Adams/Cumberland	35.7	41.1
Buchanan State Forest	Martin Hill	Bedford	18.0	0.0
Buchanan State Forest	Sideling Hill	Fulton	15.0	0.0
Bald Eagle State Forest	--	Snyder/Union	7.0	0.0
Sproul State Forest	Whiskey Springs	Clinton	45.5	45.5
Sproul State Forest	Bloody Skillet	Centre	20.0	20.0
Tiadaghton State Forest	--	Lycoming	17.1	17.1
Susquehannock State Forest	--	Potter	43.0	0.0
Delaware State Forest	Maple Run	Pike	7.3	0.0
Delaware State Forest	Burnt Mills	Pike	7.4	7.4
Delaware State Forest	Pohopoco	Monroe	<u>13.2</u>	<u>0.0</u>
Totals			229.2	131.1

Source: Developed by LB&FC staff using information obtained from the DCNR.

Summer trails are open from the Friday before Memorial Day through the last full weekend in September. The winter trails are open from the day following the last day of the regular or extended antlerless deer season as established by the Game Commission through the following April 1, or earlier as determined by the district forester.

ATVs are not permitted on state game lands except those used by disabled hunters. ATV use is permitted in the federally operated Allegheny National Forest where more than 100 miles of ATV trails are available from the Friday before Memorial Day through the last Sunday in September. Winter season is from December 20 through April 1. Other ATV riding opportunities exist across the state on public lands and in local municipalities

D. The Snowmobile/ATV Restricted Revenue Account

When the Snowmobile Law, Act 1971-75, was enacted, it provided that all monies collected from registration fees, the sale of snowmobile registration information, snowmobile publications and other services provided by the Department, and from all fines and penalties from violations of the law were to be credited to the General Fund. Under the act, counties, municipalities, and townships could receive state reimbursement for expenditures incurred in the enforcement of the act by submitting to the Department a statement of authorized expenditures incurred. The county, municipality, or township could receive up to one-half of its authorized expenditures for each fiscal year. This arrangement changed in 1976 when the law was amended to establish the Snowmobile/ATV Program as a restricted revenue account in the Commonwealth's General Fund.

Act 1976-81 provided that all monies collected under Chapter 77 were to be deposited into a restricted account, rather than in the General Fund. DER was to draw the monies from the restricted account to carry out its registration, safety education, and enforcement responsibilities, as well as to establish, construct, and maintain trails and for any equipment and supplies needed to carry out these activities.

Act 1991-26 added the grant-in-aid provisions under which DCNR now disperses monies to municipalities, nonprofit snowmobile clubs and organizations for construction, maintenance, and rehabilitation of snowmobile trails and related facilities. The Department was required to promulgate regulations as necessary to implement this grant program.

Act 2001-68 further amended these provisions in that all money received from registration fees, the sale of publications or services relating to snowmobiles or ATVs, and fines and penalties collected from enforcement actions are deposited into the restricted account. In addition to covering DCNR's expenses in administering the program, such as issuing certificates of title, education and enforcement activities, and maintenance of trails, the Department is required to make grants to municipalities and to for-profit and non-profit organizations for plans, specifications and engineering surveys, fees and costs related to the preparation or performance of right-of-way lease agreements, land acquisition, and construction, maintenance, and rehabilitation of trails and other facilities. Such organizations may also receive grants for equipment, training, and education activities relating to snowmobiles and ATVs. For-profit and not-for-profit agencies are not eligible to receive grants to construct trails on Commonwealth-owned land.

By law, the restricted revenue account is to be audited every two years, and copies of the audit are to be sent to the Snowmobile and ATV Advisory Committee. In April 2003, the Audits Division of the Public Protection and Recreation

Comptroller's Office issued an audit report on the Snowmobile/ATV Program. This report details the audit of the program's general purpose financial statements for FY 1998-99 through FY 2000-01. At the time of this study, the Comptroller's Office was engaged in an audit covering the period FY 2001-02 through FY 2003-04.

III. Snowmobile and ATV Program Revenues, Expenditures, and Financial Condition

A. Program Revenues

Revenues for Pennsylvania's Snowmobile and ATV Program are derived from Snowmobile and ATV Registration Fees, Snowmobile/ATV Fines and Penalties, and Sales Tax Commissions. Revenues from these sources are deposited in the Snowmobile/ATV Restricted Revenue Account. During FY 2003-04, revenues from these sources amounted to \$3.7 million, a total nearly three times higher than the FY 1998-99 level. (See Table 3.)

Table 3

Snowmobile and ATV Program Revenues		
<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>% Change Over Prior Year</u>
1998-99	\$1,331,868	--
1999-00	2,329,308	+74.9%
2000-01	2,452,553	+5.3
2001-02	2,746,233	+12.0
2002-03	3,930,764	+43.1
2003-04	3,704,234	-5.8

Source: Developed by LB&FC staff using information obtained from DCNR.

Table 4 on the next page provides a breakdown of these annual revenues, by source. The following briefly describes these revenue sources:

Snowmobile and ATV Registration Fees – The Snowmobile/ATV Licensing Unit within DCNR's Bureau of Administrative Services receives and processes revenues from snowmobile and ATV registrations. These also include revenues from dealer registrations, duplicate registrations, registration cards, and registration transfers. ATV registration fees also include funds received from the issuance of titles and duplicate titles. In FY 2003-04, snowmobile and ATV registration fees totaled \$3.5 million, with about 79 percent of this amount coming from ATV registrations.

Overall, revenues from registration fees rose steadily during the six-year period we examined and, between FY 2001-02 and FY 2003-04, exhibited an increase of 35 percent. The vast majority of this increase is due to continued increases in ATV purchases and registrations. Registration revenues have been driven by steadily increasing interest and participation in off-road motorized recreation, especially in the very rapid growth in ATV ownership. Registration data obtained from DCNR

Table 4

**Revenues Deposited in the Snowmobile/ATV
Restricted Revenue Account, by Source**

<u>Source</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Snowmobile Registration Fees	\$ 131,367	\$ 784,404	\$ 427,544	\$ 624,086	\$ 626,031	\$ 746,078
Snowmobile/ATV Fines & Penalties	56,514	74,270	114,902	102,686	89,616	101,888
ATV Registration Fees	1,108,859	1,368,909	1,817,120	1,947,886	3,101,037	2,756,345
Sales Tax Commission—ATVs	<u>36,878</u>	<u>104,551</u>	<u>96,701</u>	<u>77,321</u>	<u>119,214</u>	<u>104,404</u>
Subtotal.....	\$1,333,618	\$2,332,134	\$2,456,266	\$2,751,979	\$3,935,898	\$3,708,714
Less:						
Transfer to Env. Ed. Fund ^a	<u>(1,750)</u>	<u>(2,826)</u>	<u>(3,714)</u>	<u>(5,745)</u>	<u>(5,134)</u>	<u>(4,481)</u>
Total Revenues ^b	\$1,331,868	\$2,329,308	\$2,452,553	\$2,746,233	\$3,930,764	\$3,704,234

^aFunds transferred to the Environmental Education Fund represent 5 percent of the prior year's total revenue from fines and penalties. The use of funds is not listed as an authorized expenditure under Section 7706(a) of the Snowmobile and ATV Law. The transfer, however, is allowable in accordance with Section 8 of the Pennsylvania Environmental Education Act (Act 1993-24).

^bThis total does not include interest. Interest earned on the restricted account is not credited to the program but rather to the Commonwealth's General Fund. It is the Commonwealth's policy that unless specified in the program's enabling legislation, any interest on restricted accounts accrues to the General Fund. May not add due to rounding.

Source: Developed by LB&FC staff using information obtained from DCNR.

shows that between 1994 and 2004, the number of ATVs with active Pennsylvania registrations grew from 15,400 to more than 146,000. During the same period, ATV registration revenues grew by more than six times. (See Table 5.)

Table 5

Snowmobile and ATV Registration Fees Collected by DCNR			
<u>Fiscal Year</u>	<u>Snowmobile Registration Fees^a</u>	<u>ATV Registration Fees^a</u>	<u>Total</u>
1991-92	\$ 363,672	\$ 310,870	\$ 674,542
1992-93	204,356	241,618	445,974
1993-94	707,265	522,924	1,230,189
1994-95	408,179	390,754	798,933
1995-96	451,490	516,663	968,153
1996-97	325,803	556,589	882,392
1997-98	623,985	517,036	1,141,021
1998-99	131,367	1,108,859	1,240,226
1999-00	784,404	1,368,909	2,153,313
2000-01	427,544	1,817,120	2,244,664
2001-02	624,086	1,947,886	2,571,972
2002-03	626,031	3,101,037	3,727,068
2003-04	<u>746,078</u>	<u>2,756,345</u>	<u>3,502,423</u>
Total	\$6,424,260	\$15,156,610	\$21,580,870

^aAlso includes revenues from dealer registrations, duplicate registrations, registration cards, and registration transfers. ATV fees also include monies received from the issuance of titles and duplicate titles.

Source: Developed by LB&FC staff using information obtained from DCNR.

Snowmobile/ATV Fines and Penalties – The program’s restricted revenue account also includes funds credited by the Department of Revenue for monies transferred from the court system for fines and penalties imposed and collected on snowmobile and ATV citations issued relative to violations of the Snowmobile/ATV Law. In FY 2003-04, revenues from fines and penalties totaled \$101,888.

Generally, failure to register snowmobiles and ATVs may result in a fine or imprisonment or both and costs of prosecution. Violations of other provisions of the law are punishable by a fine of no less than \$50 or more than \$200 plus costs of prosecution and for a second offense, a fine of no less than \$100 or more than \$300 plus costs of prosecution.

Sales Tax Commissions – The fund also includes the 1 percent discount/commission DCNR claims on sales tax collected on snowmobiles and ATV sales on behalf of the Department of Revenue. In September 1995, the Snowmobile and ATV Program was authorized as a duly licensed agent by the Department of Revenue. As a licensed agent, DCNR is entitled to a 1 percent commission/discount on sales tax received on snowmobiles and ATVs that are reported and remitted to the

Department of Revenue. The discount is reported in the financial statements as Sales Tax Commission. In FY 2003-04, this revenue source generated a total of \$104,404.

Interest and Transfers - Any interest earned on monies in the program's restricted revenue account is credited to the Commonwealth's General Fund. Unless specified in statute, any interest earned on restricted accounts accrues to the General Fund. Also, account revenues are adjusted by an annual transfer to the Environmental Education Fund equal to 5 percent of the revenues generated from fines and penalties in the prior year.

B. Program Expenditures

DCNR expends monies from the Snowmobile/ATV Restricted Revenue Account to operate the program, including carrying out the registration, titling, safety education, and law enforcement requirements of the law. Account monies are also used to construct and maintain snowmobile and ATV trails on DCNR-managed parks and forests, and to disburse funds (in the form of grants-in-aid) to municipalities and other profit and nonprofit organizations to develop additional riding opportunities (i.e., trail development). As shown on Table 6, expenditures for these purposes totaled \$6,144,752 during FY 2003-04.

Table 6

Snowmobile and ATV Program Expenditures, by Major Object						
<u>Fiscal Year</u>	<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Fixed Assets</u>	<u>Grants^a</u>	<u>Non-Expense Items</u>	<u>Total</u>
1998-99.....	\$304,721	\$ 965,135	\$1,839,590	\$ 0	\$ 0	\$3,109,446
1999-00.....	352,090	835,721	437,982	0	0	1,625,792
2000-01.....	339,376	1,021,461	422,785	0	(900)	1,782,722
2001-02.....	438,179	2,424,660	665,252	1,706,000	40	5,234,132
2002-03.....	667,225	1,897,906	202,072	1,523,623	(480)	4,290,346
2003-04.....	787,078	1,391,271	503,221	3,463,181	0	6,144,752

^aThe total of the grants expenditures shown in this column does not match total grant award figures shown elsewhere in this report. The Snowmobile/ATV appropriation is classified as a ledger 6 appropriation, also known as a restricted receipt. This means that on July 1 of each year, any encumbrances are carried forward from the prior year to the current year. When the initial financial data was provided to the LB&FC, each fiscal year's status was reported as of June 30, and included both encumbrances and expenditures for each fiscal year. Therefore, the encumbrances as of June 30 represented grants that were carried forward into the new year, and results in the encumbered balance portion of a grant being counted as an encumbrance in each year. This caused the encumbered total to be higher than the actual amount of the grant.

Source: Developed by LB&FC staff using information obtained from DCNR.

Table 7 lists FY 2003-04 spending by program area. As shown, DCNR did not begin awarding grants-in-aid until FY 2001-02. Table 8 further breaks down program spending by minor object code.

Table 7

Expenditures From the Snowmobile/ATV Restricted Revenue Account, by Program Area

Program Area	Description	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
ATV and Snowmobile Registration and Ti- tling	Includes all activities of the Office Services Division of the Bureau of Administrative Services within DCNR in the processing of snowmobile and ATV titles and registrations.	\$ 475,075	\$ 460,550	\$ 785,874	\$2,352,699	\$1,427,733	\$1,034,126
Snowmobile-Related Program Activities	Includes all activities by personnel in DCNR State Parks and State For- ests related to snowmobile educa- tion, law enforcement, and trail maintenance and construction. These activities are not broken out into separate cost centers.	1,323,103	575,319	579,152	633,997		
ATV-Related Pro- gram Activities	Includes all activities by personnel in DCNR State Parks and State For- ests related to ATV education, law enforcement, and trail maintenance and construction. These activities are not broken out into separate cost centers.	1,310,658	515,224	319,847	439,041		
General State Forest Management	Includes activities of the Forest Management Division and the Op- erations and Recreation Division within the Bureau of Forestry that are administrative in nature and re- late to both snowmobile and ATV activities and could not be broken out between the two program areas.	610	74,700	97,849	102,395		
Snowmobile/ATV Grants	Includes grants awarded for eligible snowmobile and ATV-related pro- jects through the Community Con- servation Partnership Program.	0	0	0	1,706,000	1,523,623	3,463,181
Totals		\$3,109,446	\$1,625,792	\$1,782,722	\$5,234,132	\$4,290,346	\$6,144,752
						Combined Total \$1,338,990 ^a	Combined Total \$1,647,445 ^a

^aBeginning in FY 2002-03, state agencies recorded accounting transactions using the Commonwealth's new Systems Applications Product (SAP) system. DCNR officials explained that they did not break out expenses by snowmobile, ATV, or administrative purpose cost centers during the first year of implementing this new system. Combined expenditures for the three program areas designated as "Snowmobile-Related Program Activities," "ATV-Related Program Activities," and "General State Forest Management" totaled \$1,338,990 in FY 2002-03 and \$1,647,445 in FY 2003-04.

Source: Developed by LB&FC staff using information obtained from DCNR.

Table 8

**FY 2003-04 Expenditures From the Snowmobile/ATV
Restricted Revenue Account, by Minor Object***

<u>Minor Object</u>	<u>Amount</u>	<u>Minor Object</u>	<u>Amount</u>
State Payments – Grant Awards ^a	\$3,463,181	Office Equipment.....	\$ 8,872
Salaries	459,449	EDP Software Rental - Vendor Provided ..	5,800
Other Fixed Assets ^b	415,579	Travel	5,200
Other Operational Expenses ^c	296,153	Retirement Contributions	4,018
Specialized Services	229,024	Shift Differential Pay.....	3,037
EDP Contr. Svcs. - Vendor Provided ^d	220,526	Annual Leave Payout.....	2,306
Maintenance Material Supplies.....	198,791	Computer & Peripheral Equipment	1,981
Contracted Maint. Svcs - Bldgs & Grounds	115,771	Heating Fuel.....	1,745
Printing	115,341	Office Supplies	1,686
Overtime.....	106,121	Motorized Equipment Repairs.....	1,669
Nonstructural Improvements	100,070	Purchase EDP Software	1,635
Employees Health Benefits	90,974	Electricity	1,362
Annuitants' Hospitalization Insurance	56,640	Employees' Group Life Insurance	1,278
Furniture and Fixtures	47,878	Wearing Apparel	843
Social Security Contributions	38,268	Uniform Maintenance Compensation.....	750
Motorized Equipment Rentals	37,614	Agricultural Supplies & Svcs.	305
Postage	37,158	Contracted Maint. Svcs - Data Processing	245
Telephone & Telegraph Monthly Costs.....	33,203	Motorized Equip. Supplies	242
Other Equipment Rentals.....	24,958	Membership Dues	225
Purchasing Card Purchases	18,060	Contracted Repairs	173
Conference Expenses	14,673	Subscriptions.....	146
Other Services and Supplies.....	14,527	Freight	65
Rent of Real Estate	13,353	Recovered Damages ^e	(3,471)
Wages	12,926	Bank Service Charges ^e	(12,500)
State Workmen's Ins. Prem. Payment	11,310	Equipment and Machinery ^e	<u>(72,793)</u>
Contracted Personnel Service	9,422		
Contracted Maint. Svcs - Other.....	8,963	Total	\$6,144,752

*See Appendix E for a listing of expenditures by major and minor object for the period FY 1998-99 through FY 2003-04.

^aThis minor object category represents the grant payments made to ATV and snowmobile grantees, including nonprofit institutions and governmental subrecipients.

^bWith the transition to the new SAP accounting system, DCNR staff were uncertain of the codes for many items and placed them in this category in order to capture the expense.

^cIncludes purchases which cannot properly be allocated to a specific minor object code. Generally, these items are specific and unique to an agency and fall outside the general nature of the minor object codes. With the transition to the new SAP accounting system, DCNR staff were uncertain of the codes for many items and placed them in this code in order to capture the expense.

^dIncludes costs of vendor provided electronic data processing services, including computer services, data entry services, systems design and development, and software development.

^eWith the transition to the new SAP accounting system, DCNR staff continue to post adjustments to accounts, and, as such, some codes have a negative balance. DCNR hopes to master the SAP system with fiscal entries for FY 2004-05.

Source: Developed by LB&FC staff from information obtained from DCNR.

Program expenditures are subject to audit by the Public Protection and Recreation Comptroller's Office. An audit of the program done by the Comptroller's Office for the fiscal years ending June 30, 1999, 2000, and 2001 concluded that the Snowmobile/ATV program revenues were not fairly presented but that the audit did not disclose any misuse of funds.¹

C. The Financial Condition of the Snowmobile/ATV Restricted Revenue Account

The financial condition of the Snowmobile/ATV Restricted Revenue Account is reflected in the program's year-end fund balance that is available to cover future expenditures (i.e., the unreserved fund balance). The Comptroller's audit for the fiscal years ending June 30, 1999, through 2001 found that significant portions of the program's overall revenue for each of these three fiscal years were not used to improve program delivery, but rather were accumulated in the unreserved fund balance. During this period, the year-end fund balance grew from \$1.2 million to \$3.5 million.

During FY 2001-02, DCNR began to implement the program's grant provisions and, in that year, disbursed \$1.7 million in funding for snowmobile and ATV grant projects. This reduced the June 30, 2002, balance in the account to \$1.8 million. In FY 2002-03, the year-end balance again grew to over \$3 million as revenues from registration fees increased by 43 percent and total expenditures decreased by 18 percent. Snowmobile and ATV grants awarded in FY 2002-03 totaled \$1,523,623. As of June 30, 2003, the account's unreserved fund balance was \$3.1 million. (See Table 9.)

During FY 2003-04, DCNR disbursed \$3.5 million in snowmobile and ATV grant funding. Despite the expenditure of more grant monies than in any prior year, the restricted account maintained a FY 2003-04 year-end unreserved balance of about \$2.5 million, due largely to continued strong annual registration revenue collections of more than \$3.5 million.

¹The Comptroller's audit included several other findings concerning program operations and finances, including, for example, misstatements in the program's financial statement, deficiencies in cash and asset management, the need for improved controls over snowmobile/ATV transactions and delays in development of a comprehensive plan for delivering program services. As of January 2005, the Comptroller's Office was finalizing a follow-up audit of these and other matters and expected to complete its work by early February.

Table 9

Snowmobile/ATV Restricted Revenue Account Financial Statement

(FY 1998-99 Through FY 2003-04)

	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
Beginning Balance, July 1	\$ 890,661	\$1,186,009	\$2,459,819	\$3,511,160	\$1,845,177	\$3,076,486
Plus:						
Revenues.....	1,331,868	2,329,308	2,452,553	2,746,233	3,930,764	3,704,234
Prior Year Commitments ^a	<u>2,072,926</u>	<u>570,294</u>	<u>381,510</u>	<u>821,916</u>	<u>1,590,891</u>	<u>1,820,439</u>
Available Balance	\$4,295,455	\$4,085,611	\$5,293,882	\$7,079,309	\$7,366,832	\$8,601,159
Less:						
Expenditures	<u>(3,109,446)</u>	<u>(1,625,792)</u>	<u>(1,782,722)</u>	<u>(5,234,132)</u>	<u>(4,290,346)</u>	<u>(6,144,752)</u>
Ending Balance, June 30	\$1,186,009	\$2,459,819	\$3,511,160	\$1,845,177	\$3,076,486	\$2,456,407

^aThis reflects monies that were set aside in the prior year for a planned expenditure. However, the purchase did not get finalized by the end of the fiscal year; thus, the amounts are carried forward into the next fiscal year for expenditure in the new fiscal year.

Source: Developed by LB&FC staff from information provided by DCNR.

IV. Implementation of the Grant-in-Aid Provisions of the Snowmobile and ATV Law

A. Statutory Basis for Grants-in-Aid

At the outset of the program in 1971 (Act 1971-75), there was no provision for a grant-in-aid process or for monies to be used for constructing or maintaining trails. As discussed in Section II, monies generated by the program were to be used only to cover the costs of enforcement.

In 1976, however, Act 81 allowed program monies to be used for the first time to establish, construct, and maintain trails. When Act 1976-81 codified the Vehicle Code, the provisions regulating snowmobiles were included in Chapter 77, the Snowmobile Law. Act 81 provided that all monies collected under Chapter 77 were to be deposited into a restricted account, instead of the General Fund. Under the provisions of Act 81, DER was to draw the monies from the restricted account to carry out its registration, safety education and enforcement responsibilities, as well as to establish, construct, and maintain trails and for any equipment and supplies needed to perform these activities.

At this point, however, the law still did not provide for a grant-in-aid program. While a subsequent amendment in Act 1985-56 brought ATVs under the program's registration requirement, it did not change the financial provisions or the provision relating to the use of funds for trail establishment, construction, and maintenance.

Act 1991-26 amended the Vehicle Code, specifically, §7706, and added the specific provisions establishing a grant-in-aid program. Below is the pertinent statutory language as amended by Act 1991-26:

(b) Grant-in-aid. The department [DCNR] shall also, upon written application and subsequent approval, disperse moneys to municipalities, nonprofit snowmobile clubs and organizations for construction, maintenance and rehabilitation of snowmobile trails or any other facilities for the use of snowmobiles, including plans and specifications, engineering surveys and supervision and land acquisition where necessary. The department shall promulgate such rules and regulations it deems necessary for the administration of this subsection.

The program established by Act 26, however, applied only to snowmobiles.

Ten years later, Act 2001-68 further amended §7706 to extend grant-in-aid funding for ATV trails. The amended provision reads as follows regarding grants-in-aid:

- (b) Grant-in-aid.—The department [DCNR] shall, upon written application and subsequent approval, grant money from the restricted account:
- (1) To municipalities and profit and nonprofit organizations in connection with snowmobile and ATV use on lands not owned by the Commonwealth for the following:
 - (i) Plans, specifications and engineering surveys.
 - (ii) Fees and costs related to the preparation or performance of right-of-way lease agreements.
 - (iii) Land acquisition.
 - (iv) Construction, maintenance and rehabilitation of trails and other facilities for snowmobiles and ATVs.
 - (2) To municipalities and profit and nonprofit organizations for equipment, training and education activities relating to snowmobile and ATV use.
 - (3) To profit and nonprofit organizations for the maintenance and rehabilitation, but not the construction, of snowmobile and ATV trails on land owned by the Commonwealth.

B. DCNR Philosophy and Implementation of the Grant Program

DCNR Mission

DCNR's stated policy and objectives for the Snowmobile and ATV Program focus on balancing recreational opportunities with natural resources protection. This balance is reflected in DCNR's mission statement:

The primary mission of the Department of Conservation and Natural Resources is to maintain, improve and preserve State Parks; to manage State Forest lands to assure their long-term health, sustainability and economic use; to provide information on Pennsylvania's ecological and geologic resources; and to administer grant and technical assistance programs that will benefit rivers conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across Pennsylvania.

Pennsylvania's nearly 2.4 million acres of State Park and State Forest lands provide numerous opportunities for natural resource-based outdoor recreation. Outdoor recreation on these lands includes activities such as hiking, biking, boating, fishing, hunting, nature sightseeing, swimming, wildlife watching, camping, skiing, horseback riding, snowmobiling, and ATV riding.

The demand for outdoor recreation programs and services is constantly increasing and recreational needs and interests are steadily changing. Within this context, DCNR must balance its core mission and constitutional responsibility to act as a trustee and responsible steward of the public lands with its statutory and policy goals of providing quality opportunities for healthful recreation to the public.

The Pennsylvania State Constitution states, in Article I, Section 27, “The people have a right to clean air, pure water, and to the preservation of the natural, scenic, historic and esthetic values of the environment. Pennsylvania’s public natural resources are the common property of all the people, including generations yet to come. As trustee of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people.” The Commonwealth’s obligation to conserve and maintain these resources for all people is fundamental to DCNR’s mission. Further, the Conservation and Natural Resources Act, 1995-18, authorizes the establishment and provides for the use and control of State Forest lands. This law states, in part, that one of the purposes for which the State Forests were created is “. . . to furnish opportunities for healthful recreation to the public.”

While cognizant of the need to provide opportunities for healthful recreation to the public, DCNR resource managers are also responsible for ensuring that outdoor recreational activities do not compromise their ability to protect and sustain “the resource.” A guiding principle for recreational opportunities on state lands controlled by DCNR is a focus on those forms of dispersed forest recreation that are not being provided by other land uses or ownerships and that are compatible with the forest ecosystem. As stated in the *State Forest Resource Management Plan*, DCNR’s overall goal and objective is to provide opportunities for dispersed low-density outdoor recreation that are compatible with maintaining the integrity of the forest ecosystem.

Chronology of Related Policy Actions

The current era of outdoor motorized recreation began around 1970 and has sometimes been characterized by conflicting uses on State Forest lands. Modern technology and changing socio-economic conditions have resulted in a population that has more leisure time to spend on recreational activities. New technology resulted in the development of off-road vehicles, and improvements and new conveniences were developed for traditional outdoor-related recreational equipment.

Snowmobiles were the first off-road vehicles to find their way onto State Forest land in large numbers. Although considered appropriate for state forest use, conflicts began to occur soon after their appearance between snowmobilers and traditional users who complained about snowmobile noise and competition for the trails. Following the introduction of the snowmobile, other users saw State Forests as places to enjoy their recreational pursuits (e.g., all-terrain vehicle and dirt bike

riders, mountain bikers, equestrians, and hang gliders). DCNR reports that increasing numbers of people are traveling longer distances to engage in these activities on state lands, and many are unaware of their impact on forest ecosystems.

All-terrain vehicle ownership, in particular, has grown at a very rapid pace and in one recent year, the number of registered ATVs more than doubled.¹ This rate of growth brought pressures from the ATV community for DCNR to devote increased attention to ATV issues. These issues relate primarily to the need for additional ATV trail miles on State Forest lands, concerns about the possible misuse of restricted funds, and a growing discontent over the amount of registration fee revenues paid by ATV owners and the number of trail miles available for ATV riding. At the same time, the Department has documented significant, growing problems associated with ATV use on State Forest lands, and received letters and petitions from both individuals and groups (e.g., hiking and camping organizations) who oppose additional ATV trails on state lands.

In most State Forest districts, damage from illegal ATV riding was at or near the top of the forest management problems identified by district foresters. Department officials have stated that ATVs present a unique set of challenges that in many ways are inconsistent with the core mission of the agency. As a result, DCNR took action to strengthen the capacity of field staff to deal with this problem.

Moreover, in March 2000, the DCNR Secretary issued an internal memorandum to DCNR bureau directors directing that a study be done to clarify agency objectives for a "Five-Year ATV Plan." This was to include the development of a comprehensive strategy to address the dramatic increase in ATV registrations and the resulting demands for additional trails by ATV users. The Secretary further directed that each district make recommendations concerning expanded or new ATV trail development by December 2000. No additional trails were to be developed until this process was completed.

Effective in the summer of 2000, the Department also imposed a moratorium on the further development and construction of new ATV trails on State Forest lands² and hired additional rangers for enforcement purposes. This action reflected the Department's position that the State Forest lands could not accommodate the rapidly increasing demand for trails. While recognizing that ATV riding is a legitimate outdoor recreational activity when done in environmentally suitable locations, the Department opposed legalizing the broad use of ATVs on State Forest land and to opening State Forest and State Park roads to ATVs. This position is based on safety issues, concerns about the potential negative impact of ATVs on the environment, and the need to minimize conflict with other users.

¹Pennsylvania ranks third in the nation in ATV sales (Yager 2004).

²Except in cases of approving "connector trails" between existing public or private ATV trails or in newly acquired state forest areas.

An audit report on the Snowmobile and ATV Program issued by the Comptroller's Office in April 2003 noted that the "Five-Year ATV Plan" had not been completed. The Comptroller's report also concluded that the needs of Snowmobile and ATV Program users were not entirely addressed because DCNR did not have "specific and clear objectives and goals as to what it hoped to accomplish for the Snowmobile and ATV Program." The Comptroller's report cited, in particular, the absence of a comprehensive action plan.

In responding to the Comptroller's report, DCNR officials explained that their initial priority was to bring illegal riding under control but that they also recognize their responsibility to use funds generated from ATV and snowmobile registration fees to help provide places for people to ride. For this reason, the Department supported legislative changes (contained in Act 2001-68) that gave it authority to make grants for trail development on private lands not administered by DCNR. At that time, the Department expressed a commitment to using this grant authority to provide more ATV riding opportunities.

DCNR formally announced the availability of grant funds in August 2001 and awarded the first grants in January and May of 2002. Based on an audit covering fiscal years ending June 30, 1999, through June 30, 2001, the Comptroller's Office reported that DCNR had not fully implemented the grant portion of the program. In its response to the report, DCNR stated that its intent is "to continue with the Grants Program on an annual basis, subject to availability of funds, and to be more aggressive with county and community partners, business, and economic development leaders, and the Snowmobile and ATV Advisory Committee (SAAC) to provide more riding opportunities on non-state public and private lands."

With the appointment of a new DCNR Secretary in January 2003 came the initiation of a new planning process for the agency. This process resulted in the development of white papers³ on DCNR's mission and future in November 2003 and the subsequent release of an action plan for DCNR entitled *Shaping a Sustainable Pennsylvania: DCNR's Blueprint for Action*. Although the five-year ATV plan initiated in 2000 was not completed as part of this planning process, portions of the DCNR "Blueprint for Action" relate generally to actions needed to expand outdoor recreation.

It is apparent that the grants portion of the Snowmobile and ATV Program has received increased policy attention and emphasis over the past four years. During this time, the Department Secretary made the formulation of an approach to motorized trail development a priority. The approach being pursued focuses on

³The general themes covered in the white papers include: "Improve Stewardship of State Parks and Forests"; "Promote Statewide Land Conservation"; "Create Outdoor Experiences for Citizens and Visitors"; and "Build and Maintain Sustainable and Alternative Communities."

promoting trail development on non-state public and private lands including, where possible, trail development on abandoned mine lands.

C. DCNR's Current Approach to Motorized Trail Development

The primary goal of DCNR's current approach to motorized trail development is to provide additional riding and recreational opportunities that are not in conflict with the Department's stewardship responsibilities. This approach is based on the assumption that further trail development on state-owned public lands conflicts with the Department's stewardship responsibilities related to the management of State Park and State Forest lands. It also recognizes that numerous opportunities exist throughout the Commonwealth for ATV and snowmobile trail development and that a reasonable portion of the funds collected and deposited in the Snowmobile/ATV Restricted Revenue Account from ATV and snowmobile users must be invested to construct new trails and riding areas.

To accomplish these goals, DCNR has stated the following two objectives:

1. To prepare a statewide initiative that encourages private businesses, government entities, and other nonprofit organizations using DCNR grant funds to buy land, develop plans, conduct surveys, and construct and maintain trails based on the collection of data for existing legal riding areas (private and public). This includes the use of an ATV users survey, creation of a "Where to Ride in PA website," identification of regional needs associated with registrations, and identification of recreational concerns as presented in the Department's planning process.
2. To continue to move forward with an aggressive program to fund the development of new riding opportunities on lands not owned by the Department for multi-use, motorized recreation and county parks:
 - By becoming more involved to either acquire or lease sites for prospective developers.
 - By applying Department grants as leverage to investments of those who have demonstrated their interest/ability to develop these facilities while creating related economic benefits.
 - By exercising the flexibility to utilize existing funding to best meet recreational demands and not be required to set aside large portions of the funds to address a specific purpose such as trail development.

These objectives are reflected in many of the 19 grants DCNR has thus far awarded from the Snowmobile/ATV Restricted Revenue Account. In related activities, DCNR commissioned Penn State University's School of Forest Resources to conduct an ATV users survey and initiated the creation of a "Where to Ride in PA"

website. The Department also reports that it is taking into account regional needs associated with registrations and recreational concerns as presented in the Department's planning process.

One of the methods DCNR is employing in this effort involves multi-use, motorized trail development on abandoned mine lands. Through grants to the Allegheny Ridge Corporation (ARCorp)⁴ and the Cambria County Conservation and Recreation Authority (CCCRA),⁵ DCNR is contributing to the development of a project prototype or model which has the potential to produce a win-win situation for all parties involved.

These projects, which combine the reclamation of abandoned mine lands (AML) with responsible multi-use trail development, have their origin in a concept known as Project Ridge RIDER which ARCorp first advanced in 1999. This concept addresses two concerns that are not usually thought of in the same context: that is, supporting AML reclamation and improving the region's recreational resources by helping to curb the problem of motorized trail riding in inappropriate areas. A fundamental goal of Project Ridge RIDER was to develop and foster partnerships between motorized and nonmotorized trail users and promote cooperation between recreationists and conservationists. From a recreation-perspective, abandoned mine lands, of which Pennsylvania has more than 250,000 acres, represent a significant, untapped resource. Many believe that reclaiming old, abandoned mine lands and transforming them into multi-use, motorized recreation areas can be accomplished while, at the same time, bringing about environmental and economic benefits.

This approach assumes that an ever-growing population of off-highway vehicle users are willing to pay to pursue their recreational activities on legal riding areas. When properly designed and managed, multi-use riding areas can be developed on abandoned mine lands and result in the following benefits:

- minimizing the impact of motorized trail use by controlling erosion on-site and protecting downstream water quality;
- mitigating pre-existing abandoned mine drainage (AMD) and/or erosion problems;
- revegetating AML sites (where applicable) with native flora and fauna;
- improving on-site habitat for native species;

⁴The Allegheny Ridge Corporation is a private, nonprofit corporation charged with developing, interpreting, and preserving the historic, cultural, natural, scenic, and recreational resources of the Allegheny Ridge Heritage Area in central/western PA.

⁵The Cambria County Conservation and Recreation Authority is a special body of local government created in 1994 under the provisions of the Pennsylvania Municipalities Authority Act. The Authority's purpose is to establish recreational opportunities and assist with the cleanup of coal mining polluted rivers throughout Cambria County.

- educating OHV users about their role in environmental stewardship and the potential damage their sport can cause when exercised irresponsibly; and
- providing quality, challenging trails which will encourage riders to utilize intended sites instead of disturbing environmentally sensitive or restricted areas.

It is also possible that this approach has the potential to stimulate the economies of Pennsylvania “coal patch” towns which have been struggling since the mines were closed. By introducing a new recreational attraction in their area, these communities could have the opportunity to build an entirely new infrastructure based upon the recreational attraction. The use of state grants to encourage multi-use motorized trail development also has the potential to increase and promote tourism and attract additional visitors who would not otherwise vacation in the state.

The grants involved are: (1) a FY 2002-03 grant of \$55,000 to the Allegheny Ridge Corporation to continue the development of a “Regional Motorized Recreation Plan” for a 12-county area in southwestern Pennsylvania; and (2) a FY 2003-04 grant of \$2.0 million to the CCCRA to acquire former mining lands to create a multi-use, motorized recreation area.

As described in further detail in Section V, the \$55,000 planning and feasibility study grant is being used by the Allegheny Ridge Corporation to assist the CCCRA plan and develop the Rock Run Recreation Area on a 6,000 acre tract formerly used for strip mining (the site of the former K&J Coal Company) in Cambria and Clearfield Counties. The CCCRA used \$1.8 million of its \$2.0 million grant toward the acquisition of the K&J tract. The development of a master site plan and business plan was to begin in late 2004 along with the establishment of a nonprofit entity to operate and maintain the site.

A key objective of the development of the Rock Run Recreation Area is to develop opportunities for the greatest number of compatible recreational pursuits. In addition to snowmobiling and vehicular travel by ATVs, motorcycles and four-wheel drive vehicles, there will be opportunities for other recreational purposes, including, but not limited to, bicycling, mountain biking, cross-country skiing, hiking/jogging/fitness/nature trail activities, horseback riding, and aquatic activities. The Rock Run Recreation Area is expected to open by spring 2007.

The viability of this concept is evident in the success of the nationally-recognized Hatfield-McCoy Regional Recreation Area in West Virginia. According to *ATV Illustrated Magazine*, West Virginia has taken a comprehensive approach to using ATV tourism as a means of boosting the economies of its rural areas. The Executive Director of the Hatfield-McCoy Regional Recreational Authority states that

the concept is working and the trails have been “the catalyst for business growth.” The West Virginia trails have attracted visitors from 46 states and 6 countries. Pennsylvanians make up the third largest category of trail visitors.

DCNR believes that expansion of the “Rock Run model” to other sites provides an opportunity to expand recreational opportunities in the Commonwealth while practicing sound land use methods by reclaiming old, abandoned mine sites and contributing economic development benefits. To this end, the Department is in the process of surveying the Commonwealth to identify additional potential sites for multi-use motorized recreation areas.

V. Snowmobile and ATV Grant Activity and the Current Status of Grant-Funded Projects

A. The Grant Application and Award Process

Since 1991, DCNR has been authorized to disburse monies to municipalities, nonprofit snowmobile clubs, and other organizations for the construction, maintenance, and rehabilitation of snowmobile trails or any other facilities for the use of snowmobiles (including plans and specifications, engineering surveys, and supervision and land acquisition, where necessary). In 2001, Act 68 extended this grant authorization to include grants for ATV use on lands not owned by the state.

DCNR's Bureau of Recreation and Conservation is responsible for administering the grant-in-aid portion of the Snowmobile and ATV Program.¹ This is done as part of the Bureau's administration of the Community Conservation Partnership Program. Through this program, DCNR awards funding to communities, nonprofits, and other entities for projects involving the rehabilitation and development of public parks, indoor and outdoor recreation facilities, rails-to-trails, snowmobile and ATV trails and facilities, and greenways and river conservation projects.

Project Types

The Community Conservation Partnership Program funds five types of development projects. These include: Park and Recreation Areas; Greenways and Trails; Rails to Trails; Snowmobile and ATV; and Rivers Conservation projects. In the Snowmobile and ATV category, projects involve renovation, construction, and maintenance of snowmobile and ATV trails and facilities.

Funding requirements and conditions differ based on ownership of the land on which the project is to be developed. For eligible development projects on lands not owned by the Commonwealth, funding assistance is available to municipalities and profit and nonprofit organizations for the following:

- plans, specifications, and engineering surveys;
- fees and costs related to preparation or performance of right-of-way lease agreements;
- land acquisition—for purchase of fee simple title to real property or a less than fee interest as an easement; and

¹DCNR also administers other grant funding involving the planning, acquisition, construction, and maintenance of recreational trails, including snowmobile and ATV trails and facilities. The federally funded Pennsylvania Recreational Trails Program is an example. (See Appendix F for further information.)

- construction, maintenance, and rehabilitation of trails and other facilities for snowmobiles and ATVs.

For eligible development on lands owned by the Commonwealth, funding assistance is available only to profit and nonprofit organizations (not municipalities). Project funds may be used for rehabilitation and maintenance (not construction) of existing snowmobile and/or ATV trails on property owned by the Commonwealth (e.g., State Parks, State Forests). Evidence of project approval by the Commonwealth agency controlling the lands to be impacted by the project must be submitted with the grant application.

Other eligible projects include equipment purchases and leases, training, and educational activities related to snowmobile and ATV use. Funding assistance is on an 80/20 matching ratio except for land acquisition projects, which require a 50/50 match. The applicant's match can include cash and/or non-cash services, such as in-kind services, donated services, and volunteer services. Projects may be reimbursed for up to 80 percent of the total eligible costs, and funds may also be expended for the purchase and lease of trail construction and maintenance equipment.

Grant Eligibility and Application

Each year DCNR announces the availability of Community Conservation Partnerships Program Grants, including funding for snowmobile and ATV purposes. This grant announcement is printed in the *Pennsylvania Bulletin*, listed on DCNR's website, and mailed to all constituents on DCNR's mailing lists. Announcements are also posted in the state park offices, district forest offices, and DCNR regional offices. For FY 2004-05, the open application period extended from July 10, 2004, to October 13, 2004.

The Grant Application Manual as well as forms and additional information are on the Department's website. Grant application packets are also available from DCNR's Central Office and six regional offices. Eligible applicants include municipalities and profit and nonprofit organizations for projects related to snowmobile and ATV use. Organizations must be established under Pennsylvania law or must be authorized to do business in Pennsylvania under applicable Pennsylvania law.

During July and August, DCNR representatives conduct a series of grant application workshops at locations throughout the state. Parties interested in grant assistance for ATV/snowmobile trail planning, acquisition, development, and maintenance are able to attend these sessions to discuss their proposed projects and the grant process. Personnel from the DCNR regional offices (Regional Recreation and Park Advisors) are available to consult with and advise potential grant applicants.

Completed grant application packets, which are due by mid-October, are sent to DCNR's Central Office in Harrisburg. For FY 2003-04, the Department received application packets for 13 projects, of which five were funded.

Application Review

The DCNR Central Office distributes completed grant application packets to the regional offices for review and evaluation. Application packets are sent to the regional office that covers the county in which the proposed project would occur. Regional Recreation and Park Advisors in these offices evaluate and score the applications based on the following criteria: needs and benefits assessment; partnerships/intergovernmental cooperation; DCNR recreation and conservation priorities; planning; site compatibility; grant project administration; and previous bureau funding.

After scoring the applications, the regional office personnel send the Central Office their recommendations on grant awards. Central Office staff then reviews the applications and the regional office recommendations. According to DCNR officials, the Central Office's review of the proposed projects considers how the projects for which funding is requested relate to other existing projects and to the Department's overall policies, priorities, and objectives for the Snowmobile and ATV Program.

As part of the application review process, both Central Office staff and the regional specialists interview the grant applicants, and in some cases, conduct site visits. A site visit is made for all land acquisition applications to ensure that all environmental and conservation issues are considered.

Taking into consideration the regional offices' recommendations, the Central Office staff next selects those projects that it believes should be awarded grants and forwards the recommendations to the Director of the Bureau of Conservation and Recreation. The Director, in turn, reviews the information and makes a recommendation to the DCNR Secretary who makes the final decision on project grant awards.

Award and Disbursement of Grants

Each year a committee of DCNR staff determines the budget for the Snowmobile/ATV Restricted Revenue Account, including the amount of monies to be disbursed from the account in the form of grants-in-aid. This committee includes staff from the Bureau of Recreation and Conservation, the Bureau of Forestry, and, in some cases, the DCNR Secretary.

Based on the amount determined to be available for grants, the DCNR Secretary selects among the recommended projects, issues an announcement on grant awards and sends notification correspondence to the grant recipients. Grantees then enter into a contract, or grant agreement, with DCNR. These contracts have a term of three years with the option to extend for two additional years.

The grant-in-aid program is intended to work as a reimbursement program. The Department has found, however, that many grantees need a cash advance to act as working capital in order to begin a project. This cash advance is either 25 percent of the total grant award if the grantee is a municipality or 50 percent of the total grant award if the grantee is a nonprofit organization. This cash advance is made with the understanding that project activities, as specified in the contract, will begin at that time.

According to DCNR officials, most grant awards are made in the form of an initial cash advance payment, one or two partial payments, and a final payment at the end of the project. Up to 90 percent of the grant award can be disbursed through the initial cash advance and the partial payments. The final 10 percent of the grant award is not paid until the project is completed and has been reviewed and inspected by DCNR staff. DCNR regional specialists are to examine completed projects to ensure that all contract requirements have been met and all agreed upon work satisfactorily completed before the final payment is made.

B. Grants Awarded to Date: Purpose and Status

Although authorized to do so since 1991, DCNR did not issue any grant-in-aid funding through the Snowmobile and ATV Program until 2002. According to DCNR officials, the grants portion of the program was not implemented until 2002 because there was not enough money in the restricted account to make grants after departmental administrative expenses were paid from the account.

Between January 2002 and June 2004, DCNR awarded 19 grants totaling \$4.7 million with monies from the Snowmobile/ATV Restricted Reserve Account. We examined DCNR project files and spoke with pertinent DCNR staff to determine the purpose and implementation status of these 19 projects. Information on each project, including the grant award amount, grant disbursements,² and its reported status as of October 2004 follows:

Completed Projects

According to the DCNR grant agreement, a project is considered to be complete when all project activities have been concluded, the project has been inspected and approved by the Department, the grantee has submitted and the Department has approved the final payment application and required documentation. As of October 2004, 4 of the 19 grant-funded projects met these criteria. These include:

²The grant amount and disbursement figures listed were obtained by LB&FC staff from DCNR project files and automated records. DCNR reports that there may be some discrepancies in the grant amount and disbursement data shown for The Conservation Fund, Four Seasons Resort, Northeast PA Sno Trails, Earth Conservancy, and Hyner Mountain Snowmobile Club.

1. Hyner Mountain Snowmobile Club: \$3,000 – Trail Development/Maintenance

In January 2002, DCNR awarded a \$3,000 grant to Hyner Mountain Snowmobile Club for the rehabilitation of 0.2 miles of a snowmobile trail in Sproul State Forest in Clinton County. Project work included construction of a dry stone wall, installation of trail surface materials, equipment rental, landscaping, and other related site improvements. The total grant funds paid for this project amounted to \$2,783. The project was reported as being completed in September 2002.

2. Four Seasons Resort, Inc.: \$77,000 – Trail Development and Maintenance

In January 2002, DCNR awarded a \$77,000 grant to Four Seasons Resort, Inc., a private, for-profit facility.³ The purpose of the grant was to further develop and maintain 10 miles of motorized trails in West Finley Township in Washington County. Specific work included brush control, mowing, grading, and the purchase of trail maintenance equipment, installation of erosion control materials, landscaping, and signage. The total grant funds paid for this project amounted to \$76,334, and it was reported as completed in July 2002.

3. Four Seasons Resort, Inc.: \$14,000 – Trail Development and Maintenance

In January 2003, an additional \$14,000 grant was awarded to Four Seasons Resort, Inc. This grant was also for the further development and maintenance of 10 miles of motorized trails at the Four Seasons Resort in Washington County. Specific work included brush control, mowing, grading, signage, installation of ADA access, and landscaping. The total of grant funds paid for this project amounted to the full \$14,000 awarded. This project was reported as completed in August 2003.

4. The Conservation Fund: \$1,000,000 – Land Acquisition

In May 2002, DCNR announced the award of \$2.0 million in grants to The Conservation Fund, a national nonprofit conservation organization. The \$1 million Snowmobile/ATV grant is to aid in the purchase of a tract of approximately 11,400 acres in Centre and Clinton Counties. The tract is to be used for open space conservation and outdoor recreation purposes, including motorized trails and areas.

³The Four Seasons Resort is a recreational for-profit camping facility with ATV, horse, and hiking trails. There have been some concerns and misunderstanding about whether the Four Seasons trails are open to the public since the resort received Snowmobile and ATV grant funding. However, because it is a private business, everyone who rides on these trails must be a guest of Four Seasons Resort, as a camper, staying in their motel, or renting a cabin. State law authorizes DCNR to award grant funds to for-profit businesses to develop and maintain trails on their own properties.

The property, known as the Litke tract, falls primarily within Centre County, near Snow Shoe, and is surrounded on three sides by the 293,000 acre Sproul State Forest. Because it is a major inholding to Sproul State Forest, the Conservation Fund acquired the land and turned it over to DCNR to be managed as part of the surrounding State Forest. DCNR will manage the 11,400 acre addition to Sproul for wildlife habitat, timbering, recreation, and water quality. In the northeastern portion of the property in what is known as Bloody Skillet Road, DCNR is proposing a 1,200 acre ATV riding area with about 40 miles of trails on former mining roads. On this portion of the land, three challenge areas in unreclaimed strip mine pits would be available for ATV riders. Connector trails to private trail systems also are planned. The Conservation Fund secured matching funds for the purchase through a \$2 million grant from the Mellon Foundation and another \$1 million through a Keystone Land Trust grant and a \$1 million grant from the Snowmobile and ATV Restricted Revenue Account.

DCNR took possession of the tract in July 2002. Following installation of five public use road gates with ATV run-arounds and 13 natural gas well-head protection barriers in the spring of 2003, the ATV trail system was officially opened on July 4, 2003, with 20 miles of trail riding, including three open areas (100 acres of non-designated trails). In October 2004, DCNR officials reported that they plan to expand the trails on this tract by an additional 17 miles with funds other than Snowmobile and ATV grant funds, pending available funding and resolution of DEP concerns related to wetland impacts. DCNR staff also indicated that they hope to have the additional trails completed and ready for use by early summer 2006. Although ATV trail development will continue in this area, the project is considered completed because the land purchase for which the Snowmobile and ATV grant funds were intended has been accomplished.

Open Projects

As of early 2004, 15 of the 19 grant-funded projects were in process. These are described in this section.

1. <i>Black Gold Heritage Trails, Inc.: \$378,000 Grant - Land Acquisition</i>
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Fiscal Year Grant Awarded: FY 2001-02

Grantee Type: Private Business

Project Description: Acquisition of approximately 1,440 acres for development of motorized and non-motorized trails in Fairhope Township, Somerset County.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$756,000</u>
Snowmobile and ATV Grant.....	\$378,000
Required Match.....	\$378,000

Period of Grant Agreement: January 23, 2002, through December 31, 2005

Project Status: This project, which began in January 2002, has experienced several setbacks. The grant was approved for acquisition of approximately 1,440 acres in Fairhope Township, Somerset County, for the development of motorized and non-motorized trails. However, when announced to the public, the grant award generated considerable public opposition. Additionally, DCNR discovered an endangered rattlesnake population on the property. As a result, the grantee was not able to purchase the property. Since that time, the grantee has selected several more potential sites for the project, and, for various reasons, none were suitable. According to DCNR staff, the grantee was actively pursuing the identification of other land that might be suitable for the project as of early October 2004. If the grantee is successful in selecting a site, DCNR staff will work with the grantee to amend the scope of work statement in the grant agreement. As of early October 2004, the grantee had received \$32,069 of the grant award for environmental assessments, feasibility and marketing studies, and engineering and legal fees associated with the previously identified potential sites. According to DCNR staff, this grant is classified as open, while the grant applicant continues in its attempt to identify a suitable site for the project.

2. Horst Cycle, Inc.: \$100,000 Grant – Trail Development/Maintenance

Fiscal Year Grant Awarded: FY 2001-02

Grantee Type: Private Business

Project Description: The grantee, Horst Cycle, Inc., requested a grant to develop 45 acres of fields and wooded areas into an ATV riding park in Antrim Township, Franklin County. The park would consist of several separate trails geared for different ages and riding abilities with a total length of approximately 15 to 20 miles. The project also includes enlarging the parking area and building fences with gates and signs as well as landscaping for noise and dust control.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$156,600</u>
Snowmobile and ATV Grant.....	\$100,000
Required Match.....	\$ 56,000

Period of Grant Agreement: January 23, 2002, through December 31, 2005

Project Status: DCNR awarded Horst Cycle, Inc. a Snowmobile/ATV grant in January 2002. When the grant was announced to the public, neighbors and other residents expressed strong opposition. A citizens group hired an attorney to fight the development of the park because of concerns about noise, increased traffic on narrow roads, dust, and zoning issues. The citizens group contended that the grantee already had a business at his home, which included selling ATVs and related equipment in a low density residential district, which was not zoned for such a business. The land to be developed was adjacent to his

property. During the course of the grant agreement period, Horst Cycle was issued several citations for ordinance violations related to his business. The matter ended in a settlement agreement that prohibited Horst Cycle, Inc., from expanding beyond its existing business. In light of these developments, DCNR did not award any grant funds to Horst Cycle, Inc. As of early October 2004, DCNR staff were attempting to contact the grantee after receiving information that he has relocated to Florida. In November 2004, DCNR staff reported plans to begin the process to terminate this grant.

3. Greene County: \$80,000 Grant – Planning/Feasibility Study

Fiscal Year Grant Awarded: FY 2001-02

Grantee Type: County Government

Project Description: Greene County officials requested an \$80,000 grant to study the feasibility of developing motorized vehicle trails in the county.

Total Estimated Project Cost:

Total Estimated Project Cost.....	\$100,000
Snowmobile and ATV Grant.....	\$ 80,000
Required Match.....	\$ 20,000

Period of Grant Agreement: January 23, 2002, through December 31, 2005

Project Status: The grantee received a grant award in January 2002 to engage a consultant to perform a study of the feasibility of developing a motorized vehicle trail in western Greene County. A subsequent amendment to the grant application changed the project scope as follows: “to study the feasibility of developing a motorized vehicle pilot project focused on a site comprised of six to eight parcels of land located in Monongahela Township, Greene County. Work to include a written bound narrative report and one electronic version.” As part of this project, the grant applicant had to meet the affected property owners and obtain a “right of entry” agreement so that the consultant could perform the study. If the project is to move forward, the grantee will need to get easements and property donations. DCNR regional office staff met with the grantee in July 2003, and an advance payment of \$40,000 was made on August 16, 2003. As of early October 2004, DCNR staff is awaiting the results of the feasibility study.

4. Northeast PA Sno Trails, Inc.: \$36,000 – Trail Maintenance Equipment

Fiscal Year Grant Awarded: FY 2001-02

Grantee Type: Nonprofit

Project Description: Purchase of snowmobile trail maintenance equipment for ongoing maintenance of 150 snowmobile trails.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$45,500</u>
Snowmobile and ATV Grant.....	\$36,000
Required Match	\$ 9,500

Period of Grant Agreement: January 23, 2002, through December 31, 2005

Project Status: The grantee received a grant award in January 2002 to purchase equipment for on-going maintenance of 150 snowmobile trails. Equipment approved for purchase by DCNR included “a tractor/brush hog and a utility snowmobile with a small trail groomer pull-behind.” DCNR made an \$18,000 advance payment to the grantee in late August 2002. The grantee then purchased a tractor/brush hog grooming sled and drag. As of early October 2004, the grantee had not yet purchased the utility snowmobile. DCNR staff is waiting for the grantee to make this selection.

5. Earth Conservancy: \$32,000 Grant – Planning/Feasibility Study

Fiscal Year Grant Awarded: FY 2001-02

Grantee Type: Nonprofit

Project Description: To study the feasibility of developing ATV sites including motorized trails and a motor sports park in the lower Wyoming Valley area in Luzerne County.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$40,000</u>
Snowmobile and ATV Grant.....	\$32,000
Required Match	\$ 8,000

Period of Grant Agreement: January 23, 2002, through December 31, 2005

Project Status: DCNR awarded a grant to The Earth Conservancy in January 2002 for a feasibility study to include a written report containing development, maintenance, liability, and security and partnership issues, with associated costs. DCNR made an advance payment of \$16,000 to the grantee in May 2002. As of early October 2004, DCNR had not yet received the results of the planned feasibility study.

6. Central PA ATV Association, Inc.: \$500,000 Grant – Land Acquisition

Fiscal Year Grant Awarded: FY 2002-03

Grantee Type: Nonprofit

Project Description: Acquire approximately 2,050 acres along Route 153 in Boggs Township, Clearfield County for the development of motorized and non-motorized trails.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$1,000,000</u>
Snowmobile and ATV Grant.....	\$ 500,000
Required Match	\$ 500,000

Period of Grant Agreement: January 1, 2003, through December 31, 2006

Project Status: The association received a grant award in January 2003, and in March 2003 provided DCNR an appraisal on the property to be acquired. DCNR staff met with the grantee in May 2003, at which time the grantee notified DCNR staff that it was not able to generate the required matching funds. As of early October 2004, the grantee was negotiating a price on the land but continued to have difficulty generating the required matching funds. As a result, DCNR has not yet disbursed any grant monies to the grantee. This project is considered open, and DCNR staff stated that the Department will allow the grantee until the contract termination date, December 31, 2006, to come up with the required matching funds.

7. McKean County: \$123,000 Grant – Planning/Feasibility Study

Fiscal Year Grant Awarded: FY 2002-03

Grantee Type: County Government

Project Description: To prepare a master site development plan and environmental impact study for approximately 100 miles of ATV trails (referred to as the Willow Creek ATV Trail Expansion project) in the Allegheny National Forest, Corydon Township.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$157,300</u>
Snowmobile and ATV Grant.....	\$123,000
Required Match	\$ 34,300

Period of Grant Agreement: January 1, 2003, through December 31, 2006

Project Status: DCNR awarded McKean County a grant of \$80,000 in January 2003. In March 2004, the county requested supplemental funding in the amount of \$43,000 in order to move the project forward. Initial funding requests were not sufficient to fully cover the cost of the environmental impact study because bids on the study came in much higher than expected. The U.S. Forest Service has committed to providing the required \$24,600 in matching funds; the remaining matching funds will come from local sources. Although work is reportedly progressing on the preparation of a master site development plan and environmental impact study, DCNR staff reports that no grant funds had been disbursed as of early October 2004 because the grantee has not requested disbursement.

8. Allegheny Ridge Corporation: \$55,000 Grant – Planning/Feasibility Study

Fiscal Year Grant Awarded: FY 2002-03

Grantee Type: Private, nonprofit corporation

Project Description: The Allegheny Ridge Corporation sought a \$55,000 grant for continued development of Project Ridge RIDER--Regional Motorized Recreation Plan--Phase II covering a 12-county area in southwestern Pennsylvania. This phase of the plan was to include selecting sites for development and conceptual planning and development of motorized and recreation areas on abandoned coal mine sites.

Total Estimated Project Cost:

Total Estimated Project Cost.....	\$110,000
Snowmobile and ATV Grant.....	\$ 55,000
Required Match.....	\$ 55,000

Period of Grant Agreement: January 1, 2003, through December 31, 2006

Project Status: The original scope of work for this grant was to create conceptual plans on 3-5 sites utilizing the selection criteria developed by the Ridge RIDER Steering Committee⁴ for the Regional Motorized Recreation Plan (RMRP). Two of the three sites (old, abandoned mine lands) selected by the RMRP study have been put on hold due to acquisition problems with the potential purchasers, and ARCorp decided to focus its energy on the one remaining site (the 6,000 acre tract which was the site of the former K&J Coal Company—see #11, the Rock Run Recreation Area). The Allegheny Ridge Corporation is using this grant to aid the Cambria County Conservation and Recreation Authority (CCCRA) plan and develop Rock Run. To date, the Allegheny Ridge Corporation has contracted with a motorized trail expert to consult in the design as well as a GIS consultant to do preliminary mapping of existing trails and roads for the site. ARCorp has also contracted to produce up-to-date aerial photography and corrected contours for Rock Run for the CCCRA. As of early October 2004, no grants funds had been disbursed to the Allegheny Ridge Corporation because it had not yet requested payment from DCNR.

9. Presque Isle Snowmobile Club, Inc.: \$34,300 Grant – Parking and Lighting

Fiscal Year Grant Awarded: FY 2002-03

Grantee Type: Nonprofit

Project Description: To further develop a club trailhead facility in Waterford Township. Work to include expanding and paving a parking area; installation of ADA accessible walkways, signage, landscaping and lighting; and other related site improvements.

⁴The steering committee is a consortium of conservation, remediation, and recreation experts.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$42,900</u>
Snowmobile and ATV Grant.....	\$34,300
Required Match.....	\$ 8,600

Period of Grant Agreement: January 1, 2003, through December 31, 2006

Project Status: DCNR notified the club of the grant award in January 2003. Following local meetings and negotiations with surrounding property owners, the grantee submitted the additional documentation that was required to proceed. According to DCNR records, construction was underway as of October 2004. Records show that DCNR made a payment of \$17,150 to the grantee in December 2003, which represents a 50 percent initial payment. In early October 2004, DCNR made another payment of \$11,002.

10. Laurel Highlands Snowmobile Club: \$10,000 Grant – Purchase of Vehicles or Equipment

Fiscal Year Grant Awarded: FY 2002-03

Grantee Type: Nonprofit

Project Description: The Snowmobile Club requested grant funding to purchase a utility vehicle for maintaining the Laurel Highlands snowmobile trails in Forbes State Forest in Westmoreland and Somerset Counties.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$12,500</u>
Snowmobile and ATV Grant.....	\$10,000
Required Match.....	\$ 2,500

Period of Grant Agreement: January 1, 2003, through December 31, 2006

Project Status: DCNR notified this snowmobile club of the grant award in January 2003, and the grantee subsequently submitted equipment cost estimates. The grantee has submitted a partial payment request to DCNR in the amount of \$9,000. This payment was to be processed during October 2004. The grantee must then purchase the vehicle and provide necessary documentation (serial numbers) to the Department. After DCNR regional staff document the purchase by taking photographs of the vehicle, the final grant payment will be authorized. DCNR staff expected to close this grant file by the end of December 2004.

11. Cambria County Conservation & Recreation Authority (CCCRA): \$2,000,000 Grant – Land Acquisition

Fiscal Year Grant Awarded: FY 2003-04

Grantee Type: County Government Authority

Project Description: The recreation authority requested a grant of \$2,040,000, which, along with local matching funds, was to be used to acquire approximately 6,000 acres of lands formerly used for mining to create a multi-use, motorized recreation area. This acreage is located between Route 36 and Route 4017 in Chest Township in Cambria County and Chest Township in Clearfield County (on the site of the former K&J Coal Company).

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$5,186,000</u>
Snowmobile and ATV Grant.....	<u>2,000,000</u>
Required Match*	<u>3,186,000</u>

*The match consists of non-cash donated land value of \$1,380,000 (\$230 per acre), a \$900,000 trust fund for the perpetual maintenance of the passive treatment systems, \$82,000 in waived civil penalties, \$6,000 appraisal and donated professional services.

Period of Grant Agreement: January 1, 2004, through December 31, 2007

Project Status: DCNR awarded this grant in March 2004. Of the \$2 million in grant funding, \$1.8 million was disbursed in April 2004 to cover the costs of land acquisition, which has been finalized. Subsequently, the CCCRA has assembled the Rock Run Advisory Board, a partnership between many organizations and users, to execute the planning and development of the recreation area. As of early October 2004, aerial photographs and corrected contours had been completed on the property and a boundary survey was to be completed by November 2004 to finish the acquisition phase of the project. Planning for the Rock Run Recreation Area and development of a master site plan/business plan was scheduled to begin in December 2004 or January 2005, including the creation of a nonprofit entity to operate and maintain the site. Any monies remaining from this phase of the project will be applied to future development costs. CCCRA has requested additional grant funding for this project. According to DCNR staff, the CCCRA has submitted a FY 2004-05 application for additional grant funding for the Rock Run Recreation Area in the amount of \$2.2 million. This grant is intended to cover the costs of basic trail infrastructure, an access road and parking lot, a temporary trailhead facility, maintenance vehicles, and the first 50 miles of trail. See Appendix G for a map of the Rock Run Recreation Area.

12. <i>Northeast PA Sno Trails, Inc.: \$90,000 Grant – Land Acquisition</i>

Fiscal Year Grant Awarded: FY 2003-04

Grantee Type: Nonprofit

Project Description: This organization requested a program grant to acquire approximately 13 miles of the Ontario and Western rail bed to preserve a vital link in the 150 mile NEPAST snowmobile trail system in Susquehanna and Wayne Counties.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$180,000</u>
Snowmobile and ATV Grant.....	\$ 90,000
Required Match	\$ 90,000

Period of Grant Agreement: January 1, 2004, through December 31, 2007

Project Status: The grant applicant received notice of the grant award in March 2004. As of early October 2004, DCNR staff was working with the grantee to update its charitable organization status and to provide notice of the project to the municipalities and others in the area. Additionally, the owner of the land to be purchased is currently involved in a lawsuit as a result of a recreational vehicle accident on a different parcel of land he also owns. According to DCNR staff, the project may be delayed because of this, and an extension of the grant agreement may be required. As of early October 2004, no funds had been disbursed to the grantee.

13. North Central PA Regional Planning and Development Commission: \$60,000 Grant – Planning/Feasibility Study

Fiscal Year Grant Awarded: FY 2003-04

Grantee Type: County Government Commission

Project Description: The Commission requested grant funding to conduct a study to determine the feasibility of developing ATV trails on private lands in Cameron, Clearfield, Elk, Jefferson, McKean, and Potter Counties.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$120,000</u>
Snowmobile and ATV Grant.....	\$ 60,000
Required Match	\$ 60,000

Period of Grant Agreement: January 1, 2004, through December 31, 2007

Project Status: The grantee received notice of the grant award in March 2004. During summer 2004, DCNR staff worked with the grantee to develop a more specific scope of work statement for an RFP to be issued for the study. According to DCNR staff, the grantee issued the RFP in early September 2004. As of early October 2004, no grant funds had been requested by or disbursed to the grantee.

14. PA State Snowmobile Association: \$40,000 Grant – Interactive Website

Fiscal Year Grant Awarded: FY 2003-04

Grantee Type: Nonprofit

Project Description: This snowmobile association sought a grant to develop an interactive website and CD-ROM to provide snowmobilers with information on

trail locations, accommodations, and other amenities near trail systems, and driving directions to trailheads.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$50,000</u>
Snowmobile and ATV Grant.....	\$40,000
Required Match	\$10,000

Period of Grant Agreement: January 1, 2004, through December 31, 2007

Project Status: DCNR notified the grantee of the grant award in January 2004. The grant agreement was subsequently revised to reflect an amended total project cost of \$50,000. According to DCNR staff, no funds had been disbursed to the grantee as of October 2004, and no work had begun on the project.

15. ATV Traction, Inc.: \$30,000 Grant – Land Acquisition

Fiscal Year Grant Awarded: FY 2003-04

Grantee Type: Nonprofit

Project Description: This organization requested funding to purchase approximately 15 acres in Girard Township for the purpose of developing a trailhead and educational facility.

Total Estimated Project Cost:

Total Estimated Project Cost.....	<u>\$60,000</u>
Snowmobile and ATV Grant.....	\$30,000
Required Match	\$30,000

Period of Grant Agreement: January 1, 2004, through December 31, 2007

Project Status: The grantee has encountered setbacks with this project and the planned land acquisition has not occurred. The land that the grantee was attempting to purchase was owned by an Ohio company. The grantee had been leasing this property for several years and was using the land for its activities. In April 2004, the company withdrew its permission for the grantee to use the land and subsequently sold the tract to a conservancy group opposed to motorized off-highway vehicle usage. As of early October 2004, DCNR staff was uncertain on how the grantee plans to proceed or if it is seeking another site. No payments had yet been made to the grantee.

C. Grant Management and Oversight

All recipients of a Snowmobile/ATV Program grant are required to enter into a written grant agreement with DCNR. The Grants Project Management Division within DCNR's Bureau of Recreation and Conservation is responsible for managing and overseeing these grants. The Grants Project Management Division is

comprised of three sections: the Acquisition Projects Section, the Development Projects Section, and the Planning Projects Section. Depending upon the nature of the project, the division chief designates a project manager from one of these sections to work with the grantee.

Several portions of the Department's standard grant agreement relate to project management and oversight matters. As described below, these include progress reporting, records maintenance and audits, site maintenance and open-use responsibilities, unannounced site inspections and the designation of local project coordinators.

Progress Reporting by Grantees. The grant agreement states that the grantee shall furnish such progress reports as the Department may from time to time require. These reports are to be in such form and contain such items as the Department specifies.

Local Project Coordinators. The grantee shall designate a local project coordinator who will be the authorized representative of the grantee to deal with the Department in all matters relating to a particular grant agreement and grant project. The local project coordinator is to be the person identified in the grant application submitted by the grantee unless changed by written notification from the grantee.

Records Maintenance and Audits. Under terms of the grant agreement, the grantee is to maintain complete and accurate records of project costs, expenses, and activities at its principal office or place of business. The Department and the Commonwealth may, at reasonable times, inspect, examine, copy, and audit such records.

Such records are to be maintained for three years from the date of final payment or, if an audit is subsequently performed, three years from the date of that audit. However, if such audit results in findings, the grantee must maintain all required records until the findings are resolved. The grantee is to give full and free access to all such records to the Department and the Commonwealth.

The Commonwealth or the Department may perform, or require the grantee to perform, a financial and/or performance audit. Any audit that the grantee is required to perform shall be performed by a certified public accountant in accordance with procedures and standards specified by the Department.

Site Maintenance and Open Use Responsibilities. The grant agreement defines "site" as the properties and facilities acquired, rehabilitated, or developed under the grant agreement. The grantee is to ensure that:

- the site is maintained properly and in accordance with applicable state and local requirements and that it is kept in reasonable repair throughout its estimated lifetime, so as to prevent undue deterioration and dangerous conditions and to encourage public use; and
- the site is open and accessible to the public at reasonable hours and times of the year consistent with the nature of the site.

Unannounced Site Inspections. To monitor the provisions of the grant agreements, the Department is authorized to:

- make reasonable inspections and monitor the grantee’s performance under the grant agreement; and
- make unannounced inspections of the site.

If the Department determines that the site is not being maintained properly or is not being kept in reasonable repair, the grantee must do the following as directed by the Department: (1) bring the site into a state of proper maintenance and repair; all expenses incurred by the grantee in doing so will be the responsibility of the grantee unless otherwise stated by the Department in writing; and (2) refund monies paid under the grant agreement.

We initially examined each of the 19 project files as maintained at DCNR’s Central Office to verify that the files contained the required documentation and to determine the purpose and implementation status of each project, including associated costs and the use of grants from the Snowmobile/ATV Restricted Account. From this review we found that most of the files included a grant application, a completed grant agreement, and an award letter. Overall, however, we found the documentation in the program’s paper files to be incomplete. For example:

- Eight of the files did not contain a letter from the DCNR Grants Project Management Division that identified a manager for the project.
- Seven of the files did not contain documentation of correspondence of any nature between the grantee and a project manager.
- None of the files contained any progress reports.
- None of the four files for the projects that are considered closed contained any documents indicating that the grantee’s use of project funds had been audited.

Using these files alone, we were not able to obtain current and complete information on the status of the 19 grant-funded projects and associated financial data. To obtain further information, we next worked with DCNR project management personnel in examining computer logs and other records pertaining to the various projects. From the computer files, we were able to develop the project profiles presented earlier in this section of the report. These profiles identify the

grantee and grantee type, the fiscal year in which the grant was awarded, the grant purpose and project description, the total estimated project cost, the period of the grant agreement, and the project's current status.

We note, however, that DCNR does not have a standardized project tracking system that is capable of readily providing uniform data and internal project management reports on the status, cost, and outcomes of all projects. Also, the Department's policy on requiring audits of grant awards and on making unannounced inspections at grant-funded sites appears unclear.

DCNR officials acknowledge that the grant agreements currently enable the Department to require progress reports and audits and conduct site inspections. Although not yet being done, they stated that the Department can focus audits and inspections on those projects where problems are developing. Program officials also reported that a major agency-wide program measurement and evaluation project is being conducted for DCNR by outside experts. This evaluation targets the grants program to identify improvements needed to track and manage agency grants including projects funded by the Snowmobile/ATV Fund.

VI. Appendices

APPENDIX A

Number of Snowmobiles Registered With DCNR, by County

(Active and Limited Vehicles as of November 30, 2004)

County	Snowmobiles			County	Snowmobiles		
	Active ^a	Limited ^b	Total		Active ^a	Limited ^b	Total
Lancaster	2,642	13	2,655	Clearfield	403	3	406
Erie	1,979	31	2,010	Clinton	400	3	403
York	1,961	15	1,976	Somerset	397	4	401
Berks	1,898	10	1,908	Carbon	358	13	371
Bucks	1,481	10	1,491	Perry	336	1	337
Northampton	1,285	6	1,291	Snyder	325	7	332
Lehigh	1,195	14	1,209	Elk	314	3	317
Montgomery	1,124	5	1,129	Union	305	2	307
Wayne	1,038	31	1,069	Blair	297	2	299
Allegheny	1,024	6	1,030	Fayette	282	4	286
Lycoming	1,003	11	1,014	Lawrence	266	5	271
Lebanon	945	7	952	Wyoming	242	3	245
Monroe	874	13	887	Franklin	242	2	244
Chester	880	5	885	Washington	234	4	238
Butler	784	16	800	Armstrong	227	1	228
Westmoreland	780	6	786	Beaver	207	1	208
McKean	769	7	776	Clarion	178	5	183
Dauphin	763	8	771	Indiana	169	6	175
Potter	751	5	756	Delaware	168	2	170
Luzerne	729	11	740	Venango	163	2	165
Bradford	712	12	724	Jefferson	135	1	136
Tioga	717	4	721	Juniata	121	2	123
Cambria	672	10	682	Sullivan	122	0	122
Lackawanna	667	7	674	Bedford	121	0	121
Schuylkill	616	4	620	Mifflin	118	3	121
Susquehanna	597	11	608	Philadelphia	114	0	114
Cumberland	596	3	599	Montour	109	4	113
Columbia	550	5	555	Huntingdon	101	2	103
Adams	544	3	547	Forest	90	1	91
Centre	543	4	547	Cameron	73	0	73
Warren	537	2	539	Fulton	14	1	15
Mercer	524	1	525	Greene	13	0	13
Crawford	484	7	491	Unknown.....	742	15	757
Pike	434	5	439	Out of State	<u>3,729</u>	<u>9</u>	<u>3,738</u>
Northumberland....	429	3	432				
				Total.....	43,642	422	44,064

^aActive registration is required for ATVs and snowmobiles used anywhere off of the operator's owned or leased property (e.g., on designated state forest trails).

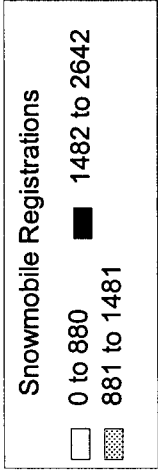
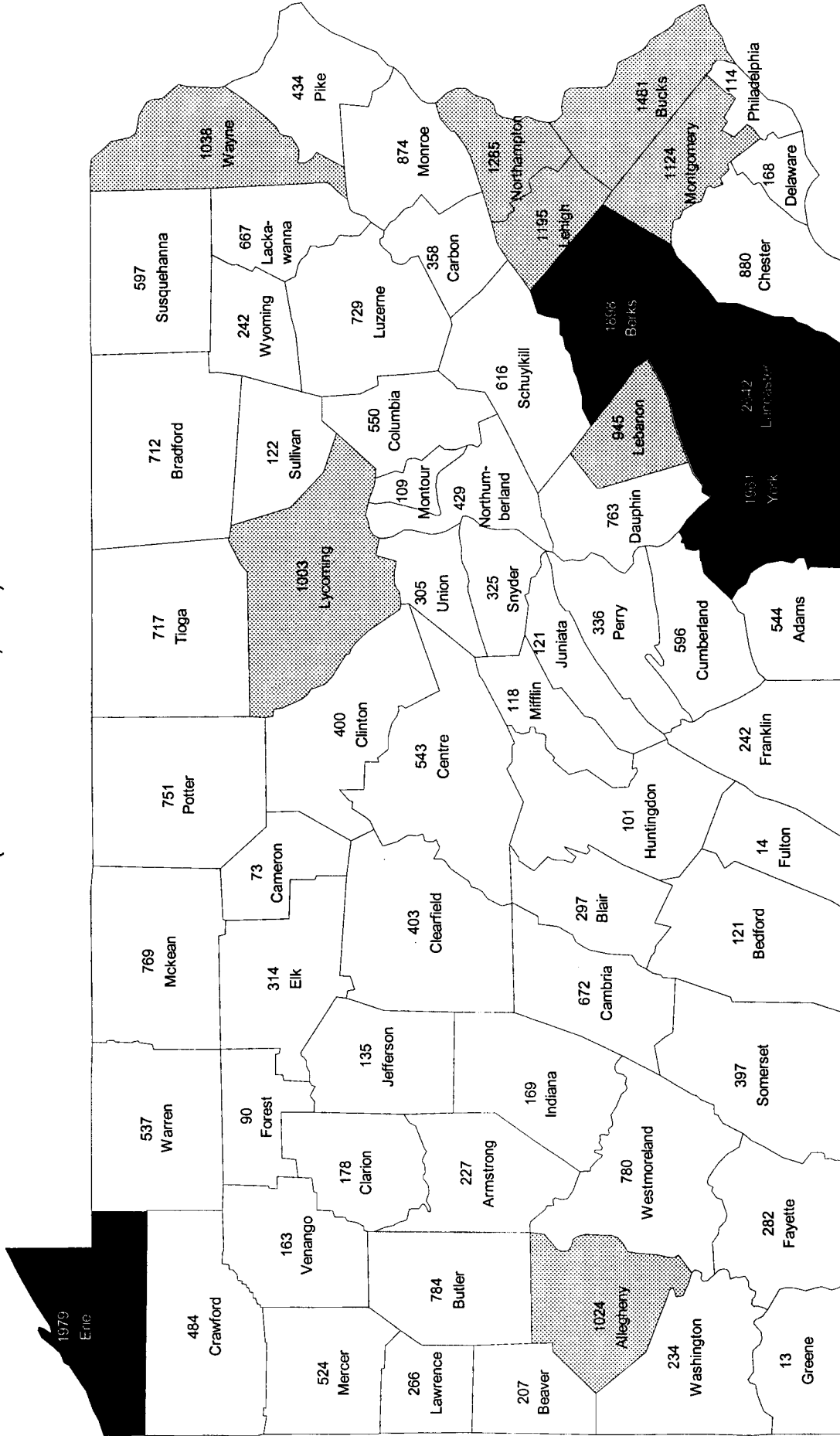
^bA limited registration is required for ATVs and snowmobiles used solely on land owned or leased by the vehicle operator.

Source: Developed by LB&FC staff using information obtained from DCNR.

APPENDIX B

Active Snowmobile Registrations

(As of November 30, 2004)



APPENDIX C

Number of ATVs Registered With DCNR, by County

(Active and Limited Vehicles as of November 30, 2004)

County	ATVs			County	ATVs		
	Active ^a	Limited ^b	Total		Active ^a	Limited ^b	Total
Allegheny	6,674	2,738	9,412	Adams.....	1,420	1,053	2,473
Westmoreland....	6,026	3,319	9,345	Elk.....	1,887	575	2,462
Luzerne.....	4,990	1,483	6,473	Venango.....	1,969	433	2,402
Fayette.....	3,269	3,195	6,464	Lehigh.....	1,879	454	2,333
Lancaster.....	4,446	1,877	6,323	Huntingdon.....	895	1,375	2,270
Bucks.....	5,077	1,107	6,184	Clarion.....	1,553	670	2,223
York.....	3,945	1,769	5,714	Tioga.....	1,302	858	2,160
Erie.....	4,798	879	5,677	McKean.....	1,755	366	2,121
Butler.....	4,133	1,084	5,217	Lawrence.....	1,647	377	2,024
Clearfield.....	3,412	1,680	5,092	Clinton.....	874	633	1,507
Cambria.....	3,692	1,380	5,072	Juniata.....	592	898	1,490
Washington.....	2,757	1,995	4,752	Snyder.....	765	602	1,367
Montgomery.....	3,487	997	4,484	Potter.....	942	401	1,343
Berks.....	3,128	1,293	4,421	Perry.....	1,168	804	1,972
Lycoming.....	1,867	2,338	4,205	Susquehanna..	1,410	504	1,914
Indiana.....	2,860	1,238	4,098	Columbia.....	1,155	742	1,897
Armstrong.....	2,827	1,244	4,071	Warren.....	1,415	462	1,877
Blair.....	2,884	1,140	4,024	Greene.....	740	1,027	1,767
Lackawanna.....	2,946	852	3,798	Philadelphia....	1,125	520	1,645
Schuylkill.....	2,819	884	3,703	Lebanon.....	1,079	555	1,634
Chester.....	2,454	945	3,399	Carbon.....	1,322	217	1,539
Crawford.....	2,537	823	3,360	Wyoming.....	1,114	403	1,517
Centre.....	1,854	1,482	3,336	Delaware.....	1,144	312	1,456
Beaver.....	2,363	810	3,173	Mifflin.....	371	1,080	1,451
Bradford.....	1,913	1,038	2,951	Pike.....	1,118	235	1,353
Somerset.....	1,711	1,215	2,926	Union.....	506	352	858
Monroe.....	2,360	531	2,891	Fulton.....	276	299	575
Jefferson.....	1,869	931	2,800	Montour.....	287	236	523
Wayne.....	1,805	991	2,796	Sullivan.....	230	228	458
Northampton.....	2,271	490	2,761	Cameron.....	255	80	335
Mercer.....	2,375	385	2,760	Forest.....	244	64	308
Bedford.....	1,684	1,026	2,710	Unknown.....	2,249	333	2,582
Cumberland.....	1,886	814	2,700	Out-of-State....	<u>3,566</u>	<u>1,285</u>	<u>4,851</u>
Dauphin.....	1,875	810	2,685				
Northumberland..	1,662	953	2,615				
Franklin.....	1,572	915	2,487	Total	146,482	65,084	211,566

^aActive registration is required for ATVs and snowmobiles used anywhere off of the operator's owned or leased property (e.g., on designated state forest trails).

^bA limited registration is required for ATVs and snowmobiles used solely on land owned or leased by the vehicle operator.

Source: Developed by LB&FC staff using information obtained from DCNR.

APPENDIX E

Expenditures From the Snowmobile/ATV Restricted Revenue Account, by Major and Minor Object (FY 1998-99 Through FY 2003-04)

<u>Minor Object of Expenditure</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>
<u>Personnel Services:</u>						
Salaries	\$ 170,063	\$ 220,021	\$ 229,016	\$ 247,706	\$ 427,724	\$ 459,449
Overtime	60,948	41,046	18,268	83,707	75,840	106,121
Shift Differential Pay	0	0	0	8	2,680	3,037
Wages	0	0	2,011	8,047	0	12,926
Employees Health Benefits	27,981	36,301	39,327	36,863	62,107	90,974
Annuity's Hospitalization Insurance	12,918	19,212	24,130	28,485	45,034	56,640
Social Security Contributions	15,858	18,159	18,847	24,353	38,161	38,268
Retirement Contributions	11,725	10,825	1,844	339	1,707	4,018
State Workmen's Insurance Premium						
Payments	4,236	5,257	5,199	6,984	8,681	11,310
Employees' Group Life Insurance	484	540	575	612	555	1,278
Out-Service Training	280	300	55	0	0	0
Unemployment Compensation	0	0	0	0	1,372	0
General Pay Increase	0	0	0	1,076	1,114	0
Conference Registration	0	0	105	0	0	0
Management Performance Awards	0	0	0	0	1,500	0
Uniform Maintenance Compensation	0	0	0	0	750	750
Annual Leave Payout	227	427	0	0	0	0
Total Personnel Services	\$ 304,721	\$ 352,090	\$ 339,376	\$ 438,179	\$ 667,225	\$ 787,078
<u>Operational Expenses:</u>						
Contracted Repairs	\$ 66,491	\$ 11,167	\$ 8,585	\$ 8,075	\$ 0	\$ 173
Specialized Services	322,879	385,321	335,079	264,331	0	229,024
Legal Fees	0	190	0	0	0	0
Conference Expenses	0	0	0	5,298	3,010	14,673
Contracted Personnel Services	0	0	0	65,983	86,036	9,422
Printing	114,796	78,205	78,058	234,523	161,228	115,341
Advertising	25	25	19	0	32	0
Toll Free Phone Service	0	0	1,688	1,207	88	0
Interest/Utility Late Charge Penalties	0	0	0	17	0	0
Bank Service Charges	0	0	0	0	16,000	(12,500)
Postage	8,399	18,800	50,914	225,212	61,974	37,158

Appendix E (Continued)

Minor Object of Expenditure	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
Operational Expenses (Continued)						
Freight.....	\$ 52	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65
Telephone & Telegraph Monthly Costs.....	7,746	7,509	7,803	8,552	29,453	33,203
Long Distance Toll Charges.....	49	49	86	486	0	0
Telephone & Telegraph Equipment - Installation.....	153	676	3	672	0	0
Travel.....	3,284	3,360	3,087	7,814	4,777	5,200
PA Telephone Network Proration.....	739	865	812	416	0	0
Electricity.....	850	349	257	306	2,571	1,362
Heating Fuel.....	338	0	721	636	3,099	1,745
Purchasing Card Purchases.....	58,949	63,094	55,873	64,887	71,225	18,060
EDP Contr. Services - Vendor Provided.....	69,540	4,200	292,721	687,560	542,728	220,526
EDP Software Rental - Vendor Provided.....	2,512	1,171	21,856	0	5,800	5,800
Subscriptions.....	0	0	0	25	0	146
Membership Dues.....	225	108	225	225	225	225
Educational Books.....	0	0	40	0	0	0
Motorized Equipment Supplies.....	3,931	5,626	3,478	1,174	6,989	242
Motorized Equipment Repairs.....	146	1,641	4,548	3,819	0	1,669
Contracted Maint. Svcs - Data Processing.....	45,104	49,171	11,046	256	278	245
Contracted Maint. Svcs - Buildings & Grounds.....	4,920	4,290	4,663	3,490	26,515	115,771
Contracted Maint. Svcs - Office Equipment.....	136	0	0	0	0	0
Contracted Maint. Svcs - Other.....	16,540	7,374	0	4,500	2,139	8,963
Rent of Real Estate.....	0	0	0	8,470	5,005	13,353
Motorized Equipment Rentals.....	5,063	3,743	6,610	5,538	9,383	37,614
Other Equipment Rentals.....	4,918	579	50	133	36,626	24,958
Wearing Apparel.....	87	517	799	1,294	87	843
Housekeeping Supplies.....	0	0	0	0	2,832	0
Office Supplies.....	34,878	6,218	3,885	1,751	2,635	1,686
Educational Supplies.....	1,623	0	6,492	121	0	0
Agricultural Supplies and Services.....	560	0	78	307	152	305
Recreational Supplies and Services.....	0	0	0	32	0	0
Religious Supplies.....	200	0	0	0	0	0
Maintenance Material Supplies.....	85,192	91,064	41,825	67,141	153,216	198,791
Recovered Damages.....	0	0	0	0	(1,068)	(3,471)
Other Services and Supplies.....	104,810	90,410	80,161	750,412	348,326	14,527
Other Operational Expenses.....	0	0	0	0	316,545	296,153
Total Operational Expenses.....	\$ 965,135	\$ 835,721	\$ 1,021,461	\$ 2,424,660	\$ 1,897,906	\$ 1,391,271

Appendix E (Continued)

Minor Object of Expenditure	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
Fixed Assets:						
Motor Vehicles	\$ 54,944	\$ 11,217	\$ 28,850	\$ 0	\$ 6,230	\$ 0
Trucks - GFAAG	468,936	70,996	30,069	156,315	0	0
Computer & Peripheral Equipment.....	0	0	1,158	0	1,981	1,981
Purchased EDP Equip - Computer and Peripherals.....	27,465	2,817	7,837	58,099	0	0
Purchase EDP Software	0	0	7,645	24,400	7,481	1,635
Equipment and Machinery	345,044	82,398	81,562	43,199	36,571	(72,793)
Office Equipment	8,872	8,872	8,872	8,872	8,872	8,872
Agricultural Equipment and Machinery.....	18,992	0	0	0	25,710	0
Off-Road Equipment.....	0	0	0	6,033	67,572	0
Radio Equipment - Purchase	29,789	0	0	0	0	0
Furniture and Fixtures.....	0	0	0	0	2,253	47,878
Other Equipment.....	0	0	0	0	5,562	0
Equipment and Machinery - GFAAG	569,913	199,111	16,632	1,007	0	0
Agricultural Equip & Machinery - GFAAG	220,249	0	44,695	82,102	0	0
Off-Road Equipment - GFAAG	0	0	0	95,759	0	0
Buildings and Structures	80,951	55,072	127,094	113,428	0	0
General Construction - Public Improvement.....	0	7,500	0	0	0	0
Electric Contracts - Public Improvement	0	0	0	7,667	0	0
Nonstructural Improvements.....	14,436	0	68,373	68,373	0	100,070
Other Fixed Assets	0	0	0	0	39,841	415,579
Total Fixed Assets	\$1,839,590	\$ 437,982	\$ 422,785	\$ 665,252	\$ 202,072	\$ 503,221
Subsidies and Grants:						
State Payments - Govt Subrecp.	\$ 0	\$ 0	\$ 0	\$ 80,000	\$ 160,000	\$ 160,000
State Payments - Nonprofit Institutions	0	0	0	1,626,000	1,363,623	3,303,181
Total Subsidies and Grants	\$ 0	\$ 0	\$ 0	\$1,706,000	\$1,523,623	\$3,463,181
Nonexpense Items:						
Transfers Augmenting Revenues	\$ 0	\$ 0	\$ (780)	\$ 0	\$ 0	\$ 0
Refunds.....	0	0	(120)	40	(480)	0
Total Nonexpense Items	\$ 0	\$ 0	\$ (900)	\$ 40	\$ (480)	\$ 0
Grand Total	\$3,109,446	\$1,625,792	\$1,782,722	\$5,234,132	\$4,290,346	\$6,144,752

*Includes encumbrances.

APPENDIX F

Information on the Federal Recreational Trails Program

The Pennsylvania Recreational Trails Program (PRTP) provides funds to develop and maintain recreational trails and trail-related facilities for motorized and nonmotorized recreational trail use. Federal funding for the program is through the Federal Highway Administration (FHWA) and the Transportation Equity Act for the 21st Century (TEA 21). The RTP replaced the original National Recreational Trails Funding Program, also known as the Symms Act.

In order to be eligible to receive monies under this program, the Commonwealth created the Pennsylvania Recreational Trails Advisory Board (PARTAB), a recreational trail advisory board on which both motorized and nonmotorized recreational trail users are represented. In Pennsylvania, the RTP is administered by the Department of Conservation and Natural Resources (DCNR), Bureau of Recreation and Conservation (BRC) in consultation with the PARTAB.

Funding

This funding must be distributed among motorized, nonmotorized, and diverse trail use, as follows:

- 40 percent minimum for diverse trail use.
- 30 percent minimum for motorized recreation.
- 30 percent for nonmotorized recreation.

Match requirements for PRTP grants are 80 percent grant money, up to a maximum of \$100,000 and 20 percent project applicant money.

“Soft match” (credit for donations of funds, materials, services, or new right-of-way) is permitted from any project sponsor, whether a private organization or public agency.

Eligibility

Eligible applicants include federal and state agencies, local governments, and private organizations. Eligible project categories are:

- maintenance and restoration of existing recreational trails;
- development and rehabilitation of trailside and trailhead facilities and trail linkages;
- purchase and lease of recreational trail construction and maintenance equipment;
- construction of new recreational trails (with restrictions on new trails on federal land); and
- acquisition of easements or property for recreational trails or recreational trail corridors.

The Commonwealth may also use up to 5 percent of its funds for the operation of educational programs to promote safety and environmental protection related to the use of recreational trails.

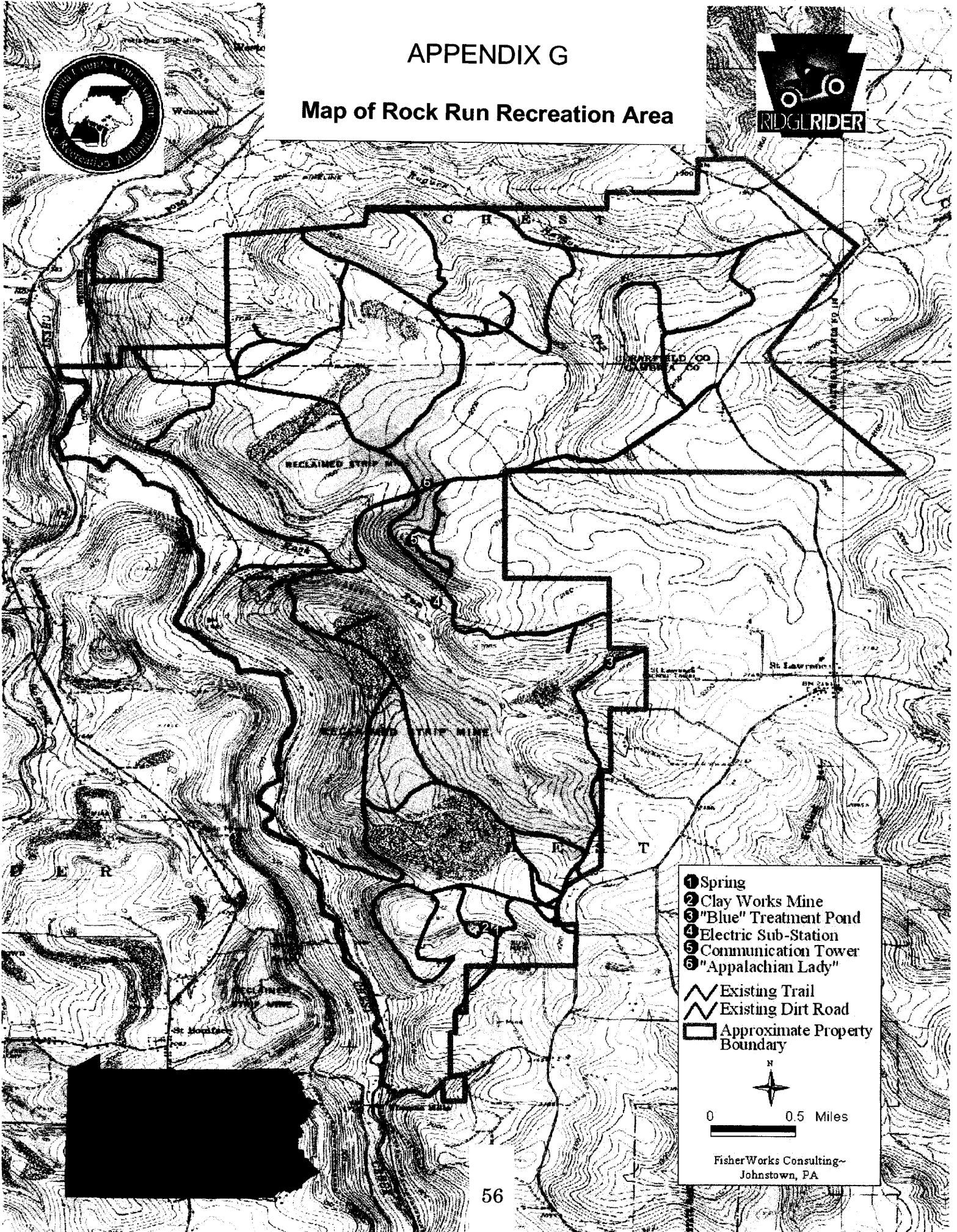
The Department will also give consideration to projects that provide for the redesign, reconstruction, nonroutine maintenance, or relocation of recreational trails to benefit the natural environment.

Project sponsors are encouraged to enter into contracts and cooperative agreements with qualified youth conservation or service corps to perform trail construction and maintenance.

Source: *Community Conservation Partnerships Program (C2P2) Manual*, DCNR, FY 2003-04.

APPENDIX G

Map of Rock Run Recreation Area



- ① Spring
- ② Clay Works Mine
- ③ "Blue" Treatment Pond
- ④ Electric Sub-Station
- ⑤ Communication Tower
- ⑥ "Appalachian Lady"

- Existing Trail
- Existing Dirt Road
- Approximate Property Boundary

N

0 0.5 Miles

FisherWorks Consulting~
Johnstown, PA

APPENDIX H

Legislation Relating to Snowmobiles and ATVs Introduced During the 2003-04 Legislative Session

House Bill 330: Amends the Vehicle Code to provide for the acquisition and clean-up of abandoned mine lands for use as ATV trails.

House Bill 776: Provides that the doctrine of voluntary assumption of risk applies to recreational activities utilizing an all-terrain vehicle, off-road motorcycle, or snowmobile.

House Bill 1606: Provides for the annual addition of 100 miles of trails by the DCNR.

House Bill 2163: Amends the Vehicle Code to provide for a snowmobile registration list to be furnished to statewide not-for-profit snowmobile organizations for use in providing registered snowmobile users with information regarding safety courses, educational programs, and changes in law, regulation and policy related to snowmobile use; also provides for appropriating a portion of the liquid fuels tax to DCNR to be used for construction, reconstruction and maintenance of designated roads and bridges used as trails for motorized recreational vehicles.

House Bill 2742: Amends the Vehicle Code to prohibit the operation of an ATV in a city of the first class except in an area designated as an ATV area in accordance with a city ordinance.

APPENDIX I
DCNR Response to This Report



Rachel Carson State Office Building
P.O. Box 8475
Harrisburg, PA 17105-8475
January 28, 2005

Bureau of Recreation and Conservation

717-783-2658

Mr. Philip R. Durgin
Executive Director
Legislative Budget and Finance Committee
P.O. Box 8737
Harrisburg, PA 17105-8737

Dear Mr. Durgin:

We have reviewed the draft report "DCNR Implementation of the Grants Portion of the Snowmobile and All-Terrain Vehicle Program" (February 2005) prepared by your staff. Given the time available to meet your release deadline, we have tried to provide accurate information and answer your questions with as much detail as time permitted. I want to thank John Rowe for making the effort to meet with us and working with us to help expedite the additional information required by your staff to complete this report.

The purpose of this letter is to provide the Department of Conservation and Natural Resources' (DCNR) response to the recommendations contained in the report. I believe the report generally supports the fact that the status of the Snowmobile/ATV grants program is substantially different than what existed in 2001, and our grants program is making significant investments to create new riding opportunities throughout the state. I also believe the report accurately focuses on the ATV program since riding opportunities for snowmobiles are more limited by weather conditions than the number of miles of snowmobile trails available on public lands.

Historic Gridlock

As you note, the significant growth in ATV use in Pennsylvania created the need for new riding opportunities, and the Department's initial response was focused on providing trails on our State Forest lands. This approach created enormous public controversy, pleased no one, and resulted in a very limited number of new trails being developed. This is one of the reasons the Department sought and received specific authority from the General Assembly to make grants from the Snowmobile/ATV fund for the development of trails on lands other than our State Forests.

New Initiative

In 2003, Secretary DiBerardinis launched a new initiative to accelerate the development of new ATV trails using our grants authority and minimizing potential conflicts with our stewardship responsibilities related to

Stewardship

Partnership

Service

the management of State Parks and State Forest lands. This initiative is successfully encouraging private businesses, government entities, and other non-profit organizations to seek DCNR grants to buy land, develop plans, conduct surveys, and construct and maintain trails and riding areas.

We believe the entire climate surrounding the grants program has changed in the last few years and feel your report acknowledges the progress underway. The report recommendations really have less to do with the original concern over the lack of meaningful progress as they do with fine-tuning the way we administer the grants program today.

Marketing and Tourism

Your recommendations regarding the marketing and tourism potential surrounding the 6,000-acre Rock Run site are of direct interest to the site owner, Cambria County Conservation and Recreation Authority, and DCNR. This site will undoubtedly be one of the premier riding destinations in the multi-state region.

Information and Communication

We agree with the recommendation to keep members of the General Assembly informed about the progress in our grants program and will continue to do so. As you know, members of the General Assembly are members of our advisory committee for this program. We also want to assure that the ATV clubs and organizations understand what we are doing with our grants, what riding opportunities are available, and how they can request funding for projects.

Strategic Plan

The Department supports the recommendation regarding the development of an ATV plan and has already outlined the elements of a strategic plan to guide our future investments in the grants program. Generally, our planning process has three distinct phases. Phase I is concerned with identifying areas of need. This involves an analysis of the registration data and mapping this data in conjunction with existing riding opportunities to identify regions having the greatest need. We are developing broad criteria to apply to these regions that will look at factors such as environmentally sensitive areas, abandoned mine lands, current support infrastructure, access opportunities, and other factors to narrow down potential large-scale siting opportunities.

Phase II consists of a more detailed analysis within selected regions to identify potential partners and possible areas suitable for ATV riding sites. Regional DCNR staff will utilize their extensive network of regional contacts to gauge interest in and support for available site options. And finally, Phase III will be involved with the actual acquisition and development of selected sites. The programming of revenues within the Snowmobile/ATV fund, availability of suitable sites, interest of project sponsors, and local support for projects will shape the actual timing and development of projects. The Department anticipates the siting of several large regional facilities, support of existing riding opportunities, and development of linkages where possible as our primary goals in the next 3-5 years.

Program Lead

Finally, we disagree with the recommendation to establish a lead bureau for this program. As you accurately pointed out in the report, there are three bureaus currently carrying out the functions associated with this program. The grants function, the registration/budget function, and operations on State Forest land function each have a distinct area of responsibility and each can be carried out in a generally independent way. That does not mean that there aren't ways to improve communication within the programs. Since the siting of new ATV riding opportunities is one of the key priorities in DCNR's new Action Plan, the Secretary is already convening periodic meetings where the three bureaus and other interests related to communication, marketing, information, and policy are brought to the table to discuss progress and resolve any problems that can't be addressed by the individual bureaus. This has worked well and reinforces the importance of this program directly from the Secretary's office.

Realizing Possibilities

In summary, we intend to continue to make changes as necessary to strengthen our grants program, and we are moving forward with our plan to create new riding opportunities in the years ahead. Rock Run is a good example of the possibilities before us, and we now have a program in place to realize these possibilities.

We welcome the continued interest of the Legislative Budget and Finance Committee in our grants program, and if Committee members have any questions or concerns in the future, please do not hesitate to communicate with us.

Sincerely,



Cindy Adams Dunn
Director
Bureau of Recreation and Conservation
Department of Conservation and
Natural Resources