Harriman State Park

A Model for the Future?

A PERC Case Study

by Holly Lippke Fretwell
Our state parks face a growing challenge to serve an increasing number of visitors while preserving natural and cultural resources. Shrinking support from general funds and shifting political allegiances have played havoc with park budgets and management plans. In this case study—Harriman State Park: A Model for the Future?—Holly Lippke Fretwell provides an in-depth look at one of America’s premier state parks and suggests new strategies for funding. Fretwell argues that Harriman could become self-sufficient, cutting political strings, while also eliminating a tax burden for state residents. Allowing park managers greater autonomy to develop innovative strategies would better serve the public and protect the resource. Harriman could be a model for state parks around the country.
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Harriman State Park has a chance to make a difference—a chance to change how parks are supported, how they are managed, and how they provide for the public.

Harriman State Park in eastern Idaho could be a model for change. With its abundance of beauty, wildlife, and natural wonders, it is well-positioned to make a break with the past and carve out a new future for state parks in Idaho as well as other states. By designing a master plan that would provide for economic self-sufficiency, Harriman could better protect its natural resources, benefit from greater local autonomy, and improve its service to the public without increased tax burden.

Harriman has a chance to make a difference—a chance to change how parks are supported, how they are managed, and how they provide for the public. Allowing for such innovative approaches could lead us toward a better future for all state parks.
Harriman shares much of the natural beauty of nearby Yellowstone and Grand Teton national parks, as well as some of the same problems of financial management that come from dependence on government appropriations. Set amidst a 16,000-acre wildlife refuge, Harriman shelters abundant wildlife, including the rare trumpeter swan, and offers world class fishing on the Henry’s Fork of the Snake River.

The park is also unusual in several other respects. The land was donated to the state with an endowment of more than half a million dollars to ensure its future. And the state allows Harriman to keep all of the revenues that it generates to cover expenses on site.

Still, after 25 years of state park management, Harriman remains dependent upon the Idaho Department of Parks and Recreation Fund and the state’s general fund in order to cover 71 percent of its budget.¹ Harriman’s managers have no incentive to generate revenues, and taxpayers must foot the bill. The cost of using the park is in no way tied to the cost of its operations and maintenance.

In this case study, we will take a closer look at Harriman’s spectacular array of resources and present a variety of management plans that could make Harriman more self-sufficient, while providing better protection for the resource and reducing the burden to the taxpayer.

**Early Years**

Harriman State Park, originally known as the Railroad Ranch, was formed in 1902 by wealthy eastern investors, most associated with the Union Pacific Railroad. Seeking a summer retreat and hunting grounds, they acquired the properties of homesteaders fleeing the region’s harsh winter climate. Eventually some 27 structures were built on the ranch including private cabins for the families, housing for the staff, a cookhouse, horse barn, and other outbuildings.

Though rarely profitable, the ranch owners subsidized their recreation retreat through cattle operations, so the Railroad Ranch became a working cattle ranch as well as a sum-
mer retreat. The cattle managers assumed the added responsibilities of preserving wildlife and preventing trespass in order to assure ranch owners and their guests productive hunting and fishing and the solitude of the private ranch property (Reed and Peterson 1991, 28).

The ranch sits in the heart of Island Park in eastern Idaho and is part of a caldera formed more than 600,000 years ago by a collapsed volcano. The Henry’s Fork of the Snake River has carved its path around the caldera, now running nine miles along the eastern edge of the property. Rich in wildlife, the region has long been a popular destination for hunting, fishing, and outdoor recreation.

In the early 1900s, Island Park spawned many private hunting and fishing reserves comparable to the Railroad Ranch; some still exist today. Just five miles upstream sit the North Fork Club and Flat Rock Club, which continue to provide cabins and other facilities for private members. The Railroad Ranch, however, has taken a different path.

In 1955, Roland Harriman, a second-generation ranch shareholder, set in motion a process to transfer the ranch, its holdings, and management funds to the state of Idaho. Ironically, the conditions of the gift agreement prohibit hunting and restrict angling to catch-and-release fly fishing on what was once a private hunting and fishing reserve. The agreement also requires a professional park management staff and perpetual maintenance of the bird sanctuary. Development of the park was left to the state to “make such provisions as may seem to them proper for food, lodging, and saddle horses . . .”

The ranch was transferred to the state of Idaho on April 1, 1977, following the formation of the Idaho Department of Parks and Recreation, and opened to the public as Harriman State Park in 1982. A portion of the ranch that extended beyond the Idaho state line into Montana was sold for $510,000, and that money was used to create the Harriman Park Trust Fund. Furthermore, Harriman was allowed to retain park-generated revenues on-site for park expenses.

Unlike Harriman, most of Idaho’s 27 parks deposit revenues into the state Parks and Recreation Fund. With authority from the legislature, the parks department uses these mon-
ies for administration and operations. The average Idaho state park is nearly 60 percent self-supporting, while Harriman covers only 30 to 40 percent of its annual expenditures (Idaho Dept. of Parks and Recreation 2001, 4–56). Furthermore, the Harriman Trust was used more as an expense account than what is typically thought of as a trust. By 2001 withdrawals from the principal of Harriman’s trust left only $566,000—half of what the initial endowment was worth in real terms back in 1977.

Harriman’s Value

There can be no question that Harriman is an extraordinary state park for Idaho or any other state, and has many attributes that could contribute to its self-sufficiency. While some have inferred that it cannot be self-supporting because it is a wildlife refuge, its role as a sanctuary gives it unique value.

During summer months, visitors may hike, bicycle, or ride horseback over 20 miles of maintained trails. Throughout the winter, cross-country skiers enjoy groomed trails and a warming hut to thaw frosted fingers. Trails loop around the shore of the park’s Silver Lake where trumpeter swans, sandhill cranes, and moose make their homes. They lead to ridge tops where the impressive Grand Teton Mountains show their glory. And, they meander through forests and meadows that provide forage for deer and elk. The section of the Henry’s Fork that flows through the park is legendary for its prolific insect hatches, and thus its challenge to anglers to hook a fish in its catch-and-release waters.

The park has maintained its historic structures; many with their original furnishings are open for ranch tours. Some of the old buildings are also available for nightly rental. The ranch manager’s house, built in 1917, offers quaint accommodations for small groups while the dormitory and cook house can accommodate as many as 40. Although camping is not allowed, two yurts were recently tucked into the woods for
overnight use. These domed, tent-like, structures provide a comfortable shelter complete with table, wood stove, and bedding—a step above camping. Nightly accommodations in the park are popular, with few vacancies in summer months and only a rare weekend available throughout the winter season.

With all its scenic beauty, amenities, and a trust fund to boot, Harriman’s low revenue generation and dependence on state funds have caused rumblings. Yet recommendations to increase park development for the sake of income have stirred controversy among park friends, locals, and managers.

One proposal called for the construction of a riverside lodge with conference facilities in return for the concession to run it. Harriman’s master plan did not address such a grand vision, nor did it take into account any mechanisms for revenue generation sufficient to cover costs. For this reason, Harriman, backed with legislative financial support for the planning process, began a re-examination of the park’s master plan that was designed more than 20 years ago.

Though rewriting the master plan is slow and tedious work, the process allows the public and special interests to voice their concerns about park management, priorities, and future use. It is also a way in which on-site managers can gain the authority to determine the park’s fate, which otherwise is left to political maneuvering.

One lesson to remember from past public land management experiences is that politics, not resource needs, determine appropriations. Examples abound in our national parks where Congress tosses money in the direction of the latest infrastructure crisis rather than providing for long-term maintenance. The sewer system is nearly beyond repair in Yellowstone National Park, but only after untreated wastewater spewed into Yellowstone’s native trout streams was money appropriated for repair. And at Glacier National Park, the world renowned Going-to-the-Sun road is crumbling, while Congress earmarked $6 mil-
lion to restore a backcountry chalet system visited by less than 1 percent of park visitors.

The role of politics in park budgetary decisions is not news to managers of Harriman. Theresa Perry, Harriman State Park assistant manager, says, “political winds change on a regular basis.” In 2001, all park budgets were cut 2 percent by the legislature, reducing previously appropriated general funds by that amount.

At one point, the Idaho parks department was proud to show its entrepreneurial colors and encouraged park autonomy. The goal was for park users to pay for the services provided. Some units still retain revenues, giving managers the incentive to be more innovative, while at the same time providing resource stewardship.

The department made it clear that revenues at Harriman along with interest from its trust fund should cover a significant portion of the budget. The possibility of self-sufficiency aroused interest in park development, in particular the proposed lodge. Standing in opposition was the Henry’s Fork Foundation, which was created to protect the unique qualities of the Henry’s Fork watershed. The foundation wanted to discourage more development in the park, and has recommended alternative ways that Harriman could become self-supporting, including a greater reliance on user fees, partnerships, and volunteers.

Attempts by some park planners to encourage revenue generation and self-sufficiency have run into opposition from other planners who fear being cut off from appropriations. One planner even suggested that self-sufficiency could be politically ruinous for Idaho’s park system. “If we can make one park self-sufficient, why not all?” asks Connie Vaughn, Idaho Parks and Recreation planner. Her concern is for parks that don’t have the resources to be self-supporting. Such a diverse park system, however, presents opportunities for wealth-enhancing parks to reduce reliance on state general funds. Hence,
self-sufficiency should be welcomed by taxpayers and park users. Yet the parks department has shifted direction and stopped far short of asserting that Harriman should be self-supporting. As revision of the master plan proceeds, planners are not looking at costs and revenues.

Making finances an integral part of park planning could lead to thinking outside the box and result in innovative management plans for Harriman. For example, Harriman could create a legally defined park trust. In its simplest form, a trust is a legal assignment of certain powers to one or more persons, called trustees, who manage assets for the benefits of another. The trustees have a fiduciary or legal obligation to manage the assets within the constraints of the trust agreement (Anderson and Fretwell 1999, 5). Trusts in various forms are currently being used to manage some federal lands, including the Presidio National Park in San Francisco and the Valles Caldera National Preserve in New Mexico.

The proposed Harriman State Park trust (different than the existing “trust” fund) would manage for the benefit of the general public in alignment with its mission. This trust would be required to cover all of its costs either from revenues generated from park assets or from private contributions of funds, property, or services by individuals, corporations, or charitable foundations. The board could be appointed by the governor of Idaho, the Idaho Department of Parks and Recreation, and the Harriman management staff, each of which would also be represented.

The existing Harriman fund already gives the park spending authority. This fund, however, should be rebuilt, leaving the principal invested and only the investment income or a portion thereof available to cover expenses. Because of the park’s many wealthy visitors, donations would be one avenue to increase the principal. Managed under a trust with reduced bureaucratic control and increased citizen involvement, private individuals would have more incentive to donate.

At present, the fund holds $566,000.
Using a conservative interest rate of 5 percent the trust would generate only $28,300 a year for park expenses. It would take $6 million in principal to generate the $300,000 expended annually on park operations. Park revenues, however, already cover nearly one-third of the park budget, so with no changes in user fees, an endowment fund of $4 million could bring the park to financial self-sufficiency. If users help pay their way, however, financial self-sufficiency could be achieved with even less than a $4 million endowment fund.

At present, Harriman charges a $3 vehicle entry fee for park use and additional fees for overnight accommodations. However, individuals can walk or ride horses and bikes into the park to use the trail system and fish along the banks of the famous Henry’s Fork for no charge. Whether riding on horseback or touring the park’s historic facilities, each activity has a different impact on park resources. Fees charged per person or per activity would ensure that users pay their own way and also help protect the resources they are coming to see and use. If all current park visitors paid a $6 per person entry fee instead of the per vehicle fee, the park could cover half of its budget with entry fees (see table). As for the visitors, the cost would still be less than taking a family of four to the movies. For fishing, bicycling, horseback riding, and hiking, fees commensurate with their impact could further help cover management expenses.

Finally, the park already has a significant number of historic structures. Some are being put to use for interpretation, housing, and nightly rentals; others are not. Early in the park’s history, the federal government planned to revamp three barns into two dormitories and a centralized community area for the Youth Conservation Corps. After building one of the dormitories, the federal government reneged on any additional funds and thus the second dormitory was never completed. Increasing nightly accommodations is another opportunity for Harriman to respond to visitor demand and generate revenue, while maintaining the character of the park by utilizing existing structures. With no new development, Harriman could create a lodge in one of the two remaining barns. Park Harriman is a sanctuary for wildlife.
Manager Keith Hobbes believes this would be well within the parameters of park management and, in fact, such use would encourage the upkeep of the existing historic structures.7

Added overnight accommodations could be used to house general visitors as well as researchers. The current occupancy rates indicate that there is ample demand for increased facilities. Such accommodations could also be used by ecology or natural science camps that are conducted in partnership with universities or other organizations. This idea was spawned early in the park’s history, but failed to take form when facilities were not adapted (Rutter 1978, 14).

Before Harriman determines whether its park vision should include more accommodations, it must take a hard look at its financing. If the park continues to rely on appropriated funds for management, future managers will be forced to respond to politics rather than to the unique characteristics and needs of the park and its resources. If revamping existing structures proves to be financially viable, it might just provide enough park revenues, together with user fees and the fund, to allow Harriman to control its own future.

What some in Idaho fear has been embraced successfully by other states. New Hampshire state parks have been financially self-supporting since 1991. The system finances its $5 million budget from fees and has some left over for construction improvements. The park system
charges an entry fee of $2.50 per person, rather than the typical per vehicle fee. Per person fees are more reflective of the costs of park use. New Hampshire was the first state park system to implement differential pricing for campsites, reflecting the different levels of amenities offered and different levels of demand for them. It also has an extensive donor program and a growing system of partnerships with companies (Leal and Fretwell 1997a, 12).

Though it may be difficult for some undeveloped nature parks to generate revenues sufficient to cover all operating expenses, other parks may easily be able to carry the load. In Vermont, concessions for ski areas bring in half of the overall park system budget. The other half is generated through a $2 per adult entry fee at all parks. Since 1993, park operations have been funded out of park user fees and concession revenues. This was a break with past management, which until 1980 covered 40 percent of the operating budget with general funds. Allowing park-generated revenues to stay within the park system encouraged fiscal responsibility. Through per person fees, downsizing, and marketing, the Vermont park system has become independent of general funds (Leal and Fretwell 1997b, 33).

Allowing parks fiscal autonomy encourages innovation as can be seen at Big Bend Ranch State Park in southwest Texas. Once a working cattle ranch, it was donated to the state park system. During a time of lean budgets, Big Bend Ranch managers took advantage of what turned out to be a temporary incentive program that promised the parks financial rewards for increasing revenues. Big Bend began offering a wide variety of fee-based activities (Leal and Fretwell 1997a, 22). Bird watching, river rafting, canoeing, hiking, fishing, horseback riding, and swimming were available for modest fees in addition to the $3 per person entry fee.

More elaborate activities were also added at Big Bend. A desert survival course and a three-day desert photography course are offered for the price of $350 each. One of the most popular park activities is the annual Longhorn Cattle Drive and
Campfire. Three days on the trail assisting park rangers with a cattle drive costs visitors $650. Park managers proved they could be innovative in responding to visitor demands when given a portion of the revenues to protect park resources.

Even in Idaho, some parks are becoming more self-reliant. McCroskey State Park, like Harriman, was donated with a generous endowment fund for management. It covers 5,400 acres of cedar wetlands, pine forests, and grasslands. Visitors can hike or bicycle along 50 miles of trails, drive the 18-mile skyline drive, or camp within the park. It is maintained as a primitive recreation site and as such no fees are charged. However, through judicious use of its trust and planning for future expenses, the park has been able to generate revenues in excess of expenditures. In a partnership with the University of Idaho, the park has begun ecological restoration, removing dense stands of fir to bring back the historic ponderosa pine savannahs. As planned, some of the timber harvest has earned revenues for the trust fund so that accruing interest can help pay for future restoration that does not generate a profit. McCroskey is adding to its trust fund with a clear plan for continued self-reliance. In the view of McCroskey’s park manager, the trust fund ensures greater fiscal responsibility, particularly in the long-term.9

It is clear that different park activities have different impacts on the resources. Parks that have become financially independent have begun to recognize the costs of those impacts and respond to them in the form of user fees, much like a private business would. In addition, they realize the trade-offs involved. Adding a nine-hole golf course would certainly attract some new park visitors but at the cost of deterring others. Such development may be realistic in a municipal park but is unlikely to fit within the parameters of a nature park.

Harriman State Park has unequivocal value with its magnificent river resource, myriad of wildlife, multitude of recreational opportunities, and historic buildings. Financial resources, however, are required to preserve these values, and Harriman is positioned to generate the needed revenues. The revised master plan could ensure the park’s financial independence as well as the stewardship of its resources. Harriman has the perfect opportunity to lead Idaho state parks into a future of self-reliance.
Notes

8. Deficit spending constrained by accounting procedures prevented the payment of some parks’ incentive rewards, discouraging continued use of the program.

References


PERC—The Center for Free Market Environmentalism—is a nationally recognized research institute located in Bozeman, Montana. The organization’s primary goal is to provide market solutions to environmental problems. PERC pioneered the approach known as free market environmentalism and has conducted extensive research on state and national park management as well as other public land issues. Our research associates have given expert testimony on parks at congressional hearings and conducted background briefings for congressional staff. PERC research is available on our Web site (www.perc.org).

Holly Lippke Fretwell is a PERC research associate whose work has focused on park and public land management. She is the author of a series of reports on public lands as well other papers on policy reform for parks. She holds a bachelor’s degree in political science and a master’s degree in resource economics from Montana State University.

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