

Date of Hearing: June 6, 2023

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE

Rebecca Bauer-Kahan, Chair

SB 668 (Dodd) – As Introduced February 16, 2023

SENATE VOTE: 36-0

SUBJECT: State parks: operating agreements

SUMMARY: Indefinitely authorizes the Department of Parks and Recreation (State Parks) to enter into operating agreements with qualified nonprofit organizations for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system, as agreed to by the director.

EXISTING LAW:

- 1) Establishes State Parks within the California Natural Resources Agency (CNRA) under the control of the director and vests State Parks with control of the state park system [Public Resources Code (PRC) § 501, § 5001].
- 2) Authorizes State Parks, through January 1, 2025, to enter into an operating agreement with a qualified nonprofit organization for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system, as agreed to by the director (PRC § 5080.42).
- 3) Defines “qualified nonprofit organization” for the purpose of this authority (PRC § 5080.42).
- 4) Requires an operating agreement with a qualified nonprofit organization to:
 - a) Include specified conditions, including that the nonprofit must annually report to State Parks regarding its operating activities, including a full accounting of all revenues and expenditures, as specified;
 - b) Specify the duties that the nonprofit organization shall be responsible for and those management duties that State Parks shall continue to conduct so that all core operations of the park are delineated, as specified. The agreement may not eliminate any jobs maintained under a memorandum of understanding between the state and the represented bargaining units; and
 - c) Honor the existing term of any current concession contract for the state park unit subject to the operating agreement (PRC § 5080.42).
- 5) Specifies that all revenues that the qualified nonprofit organization receives from a unit be expended only for the care, maintenance, operation, administration, improvement, or development of the unit (PRC § 5080.42).
- 6) Prohibits the use of General Fund moneys to subsidize a nonprofit organization’s operation or maintenance of a park unit in cases where the nonprofit provides for the full operation of the park unit (PRC § 5080.42).

- 7) Limits State Parks' authority to enter into an operating agreement that involves the operation of the entirety of a park unit to no more than 20 park units (PRC § 5080.42).
- 8) Requires State Parks biennially to report to the Legislature on the status of operating agreements, as specified (PRC § 5080.42).

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill.** This bill deletes the sunset on State Parks' authority to enter into operating agreements with nonprofits, thereby extending this authority indefinitely. According to the author, "We've seen how valuable partnerships between State Parks and nonprofits can be in terms of providing much need investments and improvements that ensure parks are accessible and enjoyable for Californians for generations to come. These partnerships have also freed up the precious and finite resources of State Parks to allocate towards other critical needs. Allowing State Parks to continue these partnerships is a win-win."
- 2) **Background.** Since California created its first publicly funded park in 1902, the state has relied upon partnerships to help raise money needed to protect lands and promote conservation. Local and federal government agencies, Native American tribes, nonprofit groups and foundations, local businesses, volunteers, and private companies have augmented services and provided programs and amenities at a number of parks throughout California.

In the early and mid-2000s, and especially with the onset of the Great Recession, the budget for State Parks failed to keep pace with growing demand. In particular, State Parks struggled to maintain sufficient funding for stewardship and management of the state park system. General Fund revenue for State Parks declined by over 37% between Fiscal Years 2007–08 and 2012–13. This resulted in a deferred maintenance backlog of over \$1.3 billion by 2010, inadequate staff to protect park resources and maintain public access and safety, and partial closures of some state parks.

The Legislature and Governor responded with multiple policy and budget solutions. One of these solutions was AB 42 (Huffman), Chapter 450, Statutes of 2011, which authorized State Parks, until January 1, 2019, to enter into operating agreements and co-management agreements with qualified nonprofits for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system. This authority helped to avoid park closures in certain areas.

Operating agreements allow the nonprofit to operate all or a portion of a park unit with minimal involvement by State Parks' staff. Co-management agreements allow the nonprofit to share responsibility for operations of a park unit or portions of a park unit with State Parks. Legislation in subsequent years extended the sunset to January 1, 2025, and revised and updated this authority over time.

Existing law requires State Parks to biennially report to the Legislature on the status of its agreements with qualified nonprofit organizations. State Parks has released reports covering Fiscal Years 2012–13 through 2019–20. This includes reports that cover all of the nonprofit

operators in one report, or individual reports specific to each nonprofit operator. State Parks also maintains information available upon request for later years.

According to the reports, State Parks has previously or is currently entered into operating agreements and/or co-management agreements with the following nonprofit organizations to operate the following state park units (organized alphabetically by unit):

<u>State Park Unit</u>	<u>Nonprofit Operator</u>	<u>Agreement Type</u>
Armstrong Redwoods State Natural Reserve	The Stewards of the Coast and Redwoods	Co-management
Austin Creek State Recreation Area	The Stewards of Coast and Redwoods	Operating/Co-management
California Citrus State Historic Park	California Citrus Historic Park Nonprofit Management Company	Operating
China Camp State Park	Friends of China Camp, Inc.	Operating
Crystal Cove State Park	Irvine Ranch Conservancy	Co-management
El Presidio de Santa Barbara State Historic Park	Santa Barbara Trust for Historic Preservation	Operating
Fort Ross State Historic Park	Fort Ross Conservancy	Co-management
Jack London State Historic Park	Valley of the Moon Natural History Association	Operating
Marconi Conference Center State Historic Park	Marconi Conference Center Operating Corporation	Operating
Mendocino Woodlands State Park	Mendocino Woodlands Camp Association	Operating
Old Sacramento State Historic Park	Historic Old Sacramento Foundation	Co-management
Old Sacramento State Historic Park	Sacramento History Alliance	Operating
Santa Cruz District (multiple park units)	Friends of Santa Cruz State Parks	Co-management
Standish-Hickey State Recreation Area	Mendocino Area Parks Association	Operating
Sugarloaf Ridge State Park	Sonoma Ecology Center and other partners	Operating

For the operating agreements, the responsibilities of the nonprofits vary slightly, but generally they provide for basic park operation services, including visitor services, fee collection, volunteer recruitment and coordination, fundraising, special events, trail maintenance, and housekeeping. State Parks typically retains responsibility for managing and preserving the unit's natural and cultural resources; conducting environmental reviews; maintaining sewer lift stations and connections to water mains; conducting tree hazard inspections; training partner staff and volunteers; supervising State Parks staff, partner staff, and volunteers; overseeing public safety; providing a partnership liaison; and providing administrative oversight.

For the co-management agreements, the nonprofits provide more limited services, like operating a visitor center, co-managing select natural resources within a unit, or supporting

events within park units.

The listed benefits of these partnerships included keeping parks, campgrounds, and other areas within parks open more often or year round, increasing the number of volunteer hours, completing deferred maintenance projects, and increasing interpretive programs and special programs and events.

Operating agreements with public agencies. While this bill relates to operating and co-management agreements with qualified nonprofits, it is worth noting that existing law (PRC § 5080.30) also authorizes State Parks to enter into similar agreements with public agencies. According to State Parks, it has entered into operating agreements with:

- The cities of Benicia, Carlsbad, Carpinteria, Colusa, Encinitas, Grover Beach, Huntington Beach, Los Angeles, Manhattan Beach, Monterey, Morro Bay, Newport Beach, Pacifica, Pismo Beach, Santa Monica, and Woodland.
 - The counties of Los Angeles, Mendocino, Sacramento, San Diego, San Luis Obispo, San Mateo, and Santa Cruz.
 - Local park agencies and districts, including East Bay Regional Park District, Napa County Regional Park & Open Space District, and Sonoma County Regional Parks.
 - Utility districts, including Johnsville Public Utility District and Tahoe City Public Utility District.
 - Educational agencies, including California State University Sacramento; San Diego County Board of Education; and the Southwest Community College District.
 - Other public agencies, including the Santa Cruz County Regional Transportation Commission and the U.S. Fish and Wildlife Service.
 - The Yurok tribe.
- 3) **Arguments in support.** Several organizations write in support, with the California State Parks Foundation stating that “Partnerships with nonprofits have provided important, stable funding to California Parks allowing parks to remain open and allow continued public access. A recent study released by Parks California with support from the California League of Park Associations and California State Parks Foundation, found that partners contribute over \$15 million annually to California state parks. Without these partnerships, the state may be forced to cut the funding of a number of parks with the potential of ultimate closures to reduce costs.”
- 4) **Arguments in opposition.** California State Park Rangers Association (CSPRA) writes in opposition, recognizing the value of partnerships but stating that “The proper way to manage parks is with dedicated, trained park professionals operating the units of the State Park System.” CSPRA maintains that “Passage of [this bill] will allow for the flawed elements of AB 42 to continue to the detriment of the people of California and their State Park System. Despite the requirements for oversight, in some cases there has been a lack of public transparency, lack of financial oversight and disclosure, lack of fair and competitive bid processes with other potentially qualified parties, poor visitor experiences, special events with high fees that price out lower income visitors, degraded resources and facilities, and

lack of accountability measures.”

- 5) **Related legislation.** SB 1111 (Pavley), Chapter 540, Statutes of 2016, added a January 1, 2025, sunset to State Parks’ authority to enter into operating agreements with qualified nonprofits for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system. SB 1111 also authorized State Parks to enter into a statewide agreement with a park support organization to facilitate the implementation of reforms recommended by the Parks Forward Commission and to develop and secure expertise, services, resources, and projects that are not readily available to the state park system, as specified.

SB 204 (Pavley), Chapter 573, Statutes of 2015, eliminated the January 1, 2019, sunset on State Parks’ authority to enter into operating agreements with qualified nonprofits for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system.

AB 549 (Levine), Chapter 559, Statutes of 2015, authorized State Parks to enter into agreements with qualified nonprofit organizations for acquisition, installation, and operation of camping cabins or parking facilities for recreational vehicles within units of the state park system.

AB 594 (Assembly Water, Parks and Wildlife Committee), Chapter 407, Statutes of 2013, clarified State Parks’ authority to enter into operating agreements with qualified nonprofit organizations when there was a moratorium on state park closures.

AB 42 (Huffman), Chapter 450, Statutes of 2011, authorized State Parks, through January 1, 2019, to enter into an operating agreement with a qualified nonprofit organization for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system, as identified by the director.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Local Conservation Corps
California Mountain Biking Coalition
California State Parks Foundation
South Yuba River Citizens League

Opposition

California State Park Rangers Association

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