

Assembly Water, Parks & Wildlife Committee
Jared Huffman, Chair

Informational Hearing
September 22, 2009

California State Parks:
Strategies for Protecting Our State Parks in Challenging Times

Background

California's state park system includes 279 state park units and is second only to the National Park System as the largest and most diverse park system in the country. California's state parks include over 1.4 million acres of public lands, 280 miles of coastline, 15,000 campsites, and 3,000 miles of trails. The diversity of the system is unparalleled, ranging from coastal beaches and wetlands, to redwood forests, deserts and historical monuments. The system represents the largest collection of natural, cultural and recreational resources of any state in the nation. California's state parks are managed by the Department of Parks & Recreation (DPR) for the benefit of all California citizens, and are held in trust for present and future generations. Californians' love for their state parks has been well demonstrated throughout the recent state budget crisis by the large number of letters state legislators received from citizens over the threatened closure of state parks. Several members' offices reported receiving more letters and calls from constituents about the state park closures than on any other single issue.

State Parks Budget Crisis. Unfortunately, California's state parks are in crisis. In addition to the \$8 million in reductions approved by the Legislature this year, the Governor cut an additional \$6.2 million from DPR's operating budget, bringing the total General Fund cut to state parks this year to \$14.2 million. However, the magnitude of the reductions is considerably greater than this figure would indicate after other additional reductions are factored in, including elimination of the normal increase for inflation, the estimated loss of fee revenue from park closures, loss of productivity from mandatory state employee furloughs, and reductions in revenues to DPR from other funding sources in addition to the General Fund. The budget also imposed additional General Fund reductions in the second year, bringing the total reduction for the two year fiscal period of 2009/10 through 2010/11 to an estimated 20% reduction in DPR's operating budget. DPR has indicated that these cuts may necessitate the closure of over 100 state parks.

Fee Increases. On August 17th, the Department announced the imposition of significant fee increases for both day use and camping fees, in some cases representing an increase of over 100%. While necessary, it is recognized that fee increases alone will be incapable of addressing the entire shortfall for several reasons. Although fee revenues have in recent years made up a larger share of the Department's budget, fees can only be increased so far before visitation rates drop off, resulting in a net loss of revenue. In addition, not every state park unit can absorb the same level of fees. Third, since state

parks belong to the people, it has generally been the policy of the state in the past to keep fees for public parks at a level most citizens can afford. Particularly during times of economic recession, state parks provide affordable recreational opportunities for families on tight budgets. If fees are increased too high, state parks may no longer be an affordable option for lower and middle income families.

Economic Impacts. Closure of state parks also negatively impacts both the state budget and local economies. According to data collected by the California State Park Foundation, for every \$1 in General Fund monies spent on state parks, \$2.35 are returned to the General Fund through economic activities in local communities surrounding parks, with much of this increased revenue coming from out of state tourists. Last year alone there were over 80 million visitors to California state parks. Closure of state parks will negatively impact local economies that depend on tourism and economic activity generated from state park visitation. Those communities in turn generate income and sales tax revenue for the state. A recent study by researchers at California State University Sacramento found that park users spend an average of \$57.63 per visit, resulting in over \$4.2 billion in positive economic impacts to the state and local economies.

Partnership Opportunities. In an effort to avoid some of the state park closures, the Department has been exploring potential alternatives, or stop gap measures, including new partnerships and expansion of existing partnerships with local governments, nonprofits and private enterprises. To varying degrees throughout the state, local governments, nonprofit groups, volunteers, and private concessionaires currently provide important services that assist the state in operating state parks and providing public services that might otherwise be beyond the capacity of the state to provide. Expansion of existing partnerships and development of new partnerships may be a critical tool in maintaining public access to state parks, particularly during these challenging economic times. However, the extent to which these alternatives can bridge the gap is uncertain, particularly since many local communities have also been hard hit with the economic downturn. Nevertheless, such partnerships are a strategic and valuable tool for certain state parks, especially while longer term solutions are developed. The Department is also exploring the possibility of joint management or financial assistance agreements with the National Park Service, particularly for state parks that are located adjacent to national parks. Such state/federal partnerships can provide opportunities for efficiencies that are mutually beneficial for both state and national parks.

In addition to the budget shortfall, state parks face many other challenges, including pressures from competing land uses, as California's population continues to grow, and from emerging environmental threats such as those posed by climate change. Protecting and managing state parks, and maintaining these valuable public assets for future generations, will require new levels of creativity, leadership, cooperation, and shared commitment from all levels of government and from citizens throughout the state.