

**Assembly Water, Parks and Wildlife Committee  
Senate Natural Resources and Water Committee  
February 24, 2015**

**CALIFORNIA STATE PARK REFORMS – THE FINAL REPORT FROM THE PARKS  
FORWARD COMMISSION**

**BACKGROUND**

*Continuing Reform of California's State Park System*

The Parks Forward Commission report that is the subject of this hearing was called for by the Legislature after a tumultuous time in the 2011-12 Session, when the state faced the threat of massive state park closures, followed by revelations of hidden funds and other fiscal problems at the Department of Parks & Recreation (DPR). At the peak of the crisis in 2012, the Legislature, with the Governor's approval, took several legislative and budget actions that, among other things:

- Placed a moratorium on state park closures;
- Called for development of a state park revenue enhancement action plan;
- Created a State Park Enterprise Fund and a State Park Revenue Incentives program;
- Called for a State Audit of DPR;  
Required annual reporting and verification of fund balances;
- Required that the \$20 million in hidden funds discovered in the State Park & Recreation Fund be used to provide matching grants for donor and nonprofit agreements that were helping to keep parks open, and to pay for critical public safety infrastructure needs in state parks;
- Created a voluntary tax-check off program for state parks, allowing taxpayers to purchase a state park annual pass and make voluntary contributions to state parks when they file their tax returns;
- Authorized DPR to create a state park vanity license plate to raise additional funds for parks; and
- Called for creation of an independent commission to study and make recommendations on how to provide for the long-term sustainability of California State Parks.

### *Parks Forward Commission*

Both AB 1589 (Huffman), the California State Park Stewardship Act of 2012, and AB 1478 (Blumenfield), one of the Resources budget trailer bills of 2012, called for creation of a multi-disciplinary independent commission to conduct a comprehensive assessment and make recommendations to the Legislature and Governor on ways to ensure the long-term sustainability of California's state parks. In 2013 the Administration appointed the Parks Forward Commission, which began a year and a half long study and analysis of state parks. The Parks Forward Commission includes twelve members from a wide diversity of backgrounds, and is co-chaired by former Senator Christine Kehoe and Lance Conn, a Bay-Area businessman and former President of Vulcan Capital.

The Parks Forward Commission's stated purpose, as articulated in its memorandum of understanding with the Natural Resources Agency, is to advance the policy efforts called for in the Park Stewardship Act and to substantially improve the park system in a way that is financially sustainable in the long-term and provides facilities, services and programs that meet the needs of Californians in the 21<sup>st</sup> century. The specific tasks of the Parks Forward Commission include completion of an assessment of the current challenges and issues facing the department, and preparation of a plan with recommendations for ensuring its long-term health and financial viability, including an implementation plan for transforming the system. The Parks Forward Commission hired teams of consultants, produced several technical reports, held numerous public workshops, focus groups and meetings, and produced a first comprehensive draft report with preliminary recommendations in April of 2014. That report was followed by a second revised draft report on July 30, 2014. Key findings and recommendations included in the July 30, 2014 draft report include:

- DPR requires fundamental change to succeed in the future. The report calls for formation of a transformation team, including in-house park employees and outside experts, to develop and implement a new organizational structure and business model.
- DPR cannot do it alone, and must create new strategic park partnerships. In addition to strengthening and increasing a variety of public/private park partnerships, the report recommends creation of a new statewide non-profit support entity called Parks California.
- DPR must expand access to parks for California's underserved communities and urban populations, and must engage California's younger generations, by

developing new amenities, digital tools, programs, facilities, and transportation options that serve the needs of a broader base of park visitors. DPR must make it a priority for park visitation and the park workforce to reflect the demographics of California.

- A stable funding structure must be established for California parks, including a more entrepreneurial and robust revenue-generation strategy with increased efficiency and accountability throughout DPR, and a dedicated, reliable source of public funding that will meet ongoing operating needs and continually reduce the backlog of unmet maintenance needed to protect valuable park assets.

#### *Parks Forward Commission Final Report*

The final report of the Parks Forward Commission was released on January 30, 2015 and approved by the commission on February 6, 2015 at a public meeting at the California State Railroad Museum in Sacramento. The report set a somber tone for its recommendations noting the many difficulties facing the department:

*"[a] department that is debilitated by an outdated organizational structure, underinvestment in technology and business tools, and a culture that doesn't inspire or reward collaboration or innovation...The Department must transform both how it works internally and how it relates to partners and visitors. The Department must seek and implement creative approaches to increase efficiency, vest greater authority at the field level, improve revenue generation, build a well-trained staff that reflects the state's demographics, provide equitable opportunities for training and promotion, broaden its constituency, and ensure effective management of finances, information, and administration."*

The final report added new recommendations, plus it fine-tuned and elaborated on some of its draft recommendations from July:

- Enable all qualified departmental employees of the department's 3,600 total employees to be eligible as district park superintendents, including peace officers. Currently, only peace officers are eligible to serve as superintendents and they would remain eligible under this proposal.
- Expand and improve employee training and evaluation in ways that focus on the skills necessary to manage change and respond to the state's diverse and changing demographics.

- Renew the department's focus on protecting and managing California's natural resources and cultural heritage by including more diverse stakeholders including Native Americans, Latinos, and other ethnic groups in its work.
- Address climate change adaption in natural resource management.
- Consider the issue of the department managing 4 separate commissions: The Parks and Recreation Commission, the Boating and Waterways Commission, the Off Highway Vehicle Commission, and the State Historic Preservation Commission. No specific recommendation was made.
- Elaborated on its essential recommendation that the department modernize its administrative capabilities to measure performance, improve its internal budgeting and cost estimates for each park unit, and develop budgeting tools for each departmental function, including law enforcement, cultural resources, operations, deferred maintenance, and other key activities.

#### *DPR Transformation Team*

DPR has begun implementation of some of the Parks Forward recommendations through appointment of a Transformation Team at DPR, which is being spearheaded by Steve Szalay, Special Advisor to the California State Parks Department. The team has prepared a Transformation Action Plan which describes a future vision for the Department in 2017, and outlines a number of initiatives the team plans to undertake to realize the vision, following the four basic themes of the Parks Forward Commission report. A new website has been established for the Transformation Team: [www.parks.ca.gov/?page\\_id=28074](http://www.parks.ca.gov/?page_id=28074).

Among other things, the Action Plan includes the following goals:

1. Develop management systems, including:
  - a. Streamline staff hiring process, simplify procurement, improve performance management, develop department training, establish a leadership development program, and realign position classifications, qualifications and organizational structures within the department.
  - b. Develop a results oriented budget and finance system, including a service-based budgeting program, new and enhanced revenue generation program, and deferred maintenance financing program.
  - c. Improve park planning and innovation, including analysis of department organizational structure, development of an existing park data base,

- improvement of park general plan process, and review of the roles of support organizations.
  - d. Modernize information technology systems.
  - e. Develop a new marking program for parks.
2. Maintain high quality operations and public service:
- a. Maintain existing facilities, including a plan for addressing priority deferred maintenance, and an annual maintenance program.
  - b. Review, enhance and improve partnerships, including creation of a new public-benefit support organization.
  - c. Improve recruitment and training of volunteers.
3. Improve Park Access and Relevancy:
- a. Improve outreach to underserved communities.
  - b. Enrich visitor experience and options.
4. Protect and enhance natural and cultural resources:
- a. Increase partnerships and stakeholders and develop best practices
  - b. Enhance existing and develop new programs to address climate change.

#### *Governor's Proposed Budget for 2015-16*

The Governor's proposed budget for 2015-16 proposes an operating budget of approximately \$434.8 million for DPR, not counting the Boating and Waterways Division and local assistance, which when included brings DPR's overall budget to approximately \$570 million. About a third of DPR's operating budget comes from the General Fund, with most of the balance coming from user fees and other earned revenue and, historically, bonds. The last park bond was Proposition 84 in 2006, most of which has now been spent or encumbered. The Governor's proposed budget for 2015-16 includes a one-time increased expenditure authorization of \$16 million from the reserve in the State Park & Recreation Fund to maintain the status quo and keep parks open at current service levels while the Parks Forward reforms are evaluated and implemented. The Governor's budget also proposes appropriation of \$20 million from the General Fund in 2015-16 for state park deferred maintenance.