



CALIFORNIA
STATE PARKS
FOUNDATION

**Little Hoover Commission
Hearing on the Sustainability of the California State Parks System
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President of the California State Parks Foundation**

On behalf of the California State Parks Foundation and our more than 130,000 members statewide, thank you for this opportunity to share some thoughts and perspective on the challenges and need for sustainability of the California state parks system. We appreciate the Commission's interest in our state park system and taking an in-depth look at the landscape of systems, institutions, challenges and opportunities that confront the system, especially if it is to live and prosper into the future.

We are in the midst of a fundamental shift for our more than 100-year old state park system where, frankly, the full implications and consequences aren't yet clear. Because of the unprecedented nature of park closures, we are all making decisions and assumptions on the best information available to us at the time, not on certainty.

Clearly, indecision or inaction is not an option. But I want to caution all of us that these immediate responses to closures should not be interpreted as immutable precedents or deliberate paradigm changes. Indeed, I think the very purpose of this review by this Commission ought to be, to use an ironic phrase, to see the forest for the trees, for our state park system and identify things that can be done about the crisis facing state parks.

Like many things in government these days, the mantra is change. As we at CSPF and many others work to address park closures, as well as the underlying problems that caused the crisis in the first place, there are three overarching observations I would like to make to frame the discussion:

- 1. The public's investment in, and support for our state parks is as essential to sustainability of the system as any institutional adjustments.**

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- 2. The pressure to change the emphasis of our state parks to revenue generation and/or an entrepreneurial orientation changes the nature of the state park system and may exacerbate existing challenges in government institutions.**
- 3. Transforming the network of park-supporting organizations and entities into a safety net for operating and directly managing portions of the park system is possible, but there are holes in that net.**

Before I get into those observations, I'll provide some background on my organization, the funding challenge facing our state parks as we see it, and some thoughts about where other models or states may be useful to California in this moment.

Background on the California State Parks Foundation

As an introduction to the California State Parks Foundation, our mission is to protect, enhance and advocate for California's 279 magnificent state parks. We are a totally independent non-profit organization that was founded in 1969 by William Penn Mott, then the former director of the California State Department of Parks and Recreation (DPR) and former director of the National Parks Service. Our founding itself is an interesting and telling window into the simultaneously complex and complementary relationship that has existed between the state agency – DPR – and nonprofit partners like CSPF and many others. CSPF was founded to develop philanthropic resources and to do land acquisition for a rapidly growing department. The purpose for the creation of our foundation was specifically to do things that the state could not do well or rapidly enough within its legislative, administrative, and regulatory authorities and constraints. We have expanded our scope, programs and independence greatly since our founding, though philanthropic work for the state parks system remains one of the key pieces of our organization's work to this day. For example, we are currently in the middle of a \$26 million wetlands restoration project at Candlestick State Recreation Area, an urban park in San Francisco's Bayview Hunter's Point area. We are also raising funds and managing a \$12 million rehabilitation and restoration of Pigeon Point Light Station in San Mateo County.

Although we do have grant-making programs where we distribute funding to grantees statewide, we are not a traditional foundation with required payouts or endowments. We are a membership-based organization with programs and initiatives that we manage. For example, we initiated a Hidden Stories program that brings attention to, as the title refers to, hidden or little-known stories of the impact and influences of particular groups of Californians on our state park system.

Our advocacy and policy program, which began about a decade ago, has become one of the centerpieces of our work, and has grown in importance as funding for the parks system, particularly funding for DPR, has been in decline. Through our policy and advocacy work, we began looking at the need for sustainability for California's state parks in 2005. Along with DPR, we developed a task force looking at ideas for sustainable funding. Although the project began from an interest by DPR in having others establish a non-wasting endowment for the Department, we expanded the breadth and scope of the process to look at options for new public funding for state parks, new enterprise concepts, as well as endowment/trust fund issues. That work reviewed a variety of funding options, and led to the development of the State Park Access Pass, which eventually became Proposition 21.

CSPF's tag line is "Your voice for parks" because we have succeeded in building an engaged constituency. On behalf of our members and park users we lobby for funding and policy changes. The level of visibility for state parks issues over the last several years staved off two rounds of park closures before this one. It has also provided protection for state parks against proposals to use them for everything from toll roads to power lines. Our role in mobilizing members, park visitors, and park supporters statewide on those advocacy priorities is unique to CSPF.

Like other nonprofits, our ability to attract donations and philanthropic funding for programs and park projects is critical to building a funding base and giving funders confidence. Our ability to think beyond a government organization chart, or existing governmental policies, regulations or rules gives us an advantage in thinking proactively about our state parks' future, as we did in the Park Excellence Project last year, along with Save the Redwoods League.

Throughout most of my organization's history, we have taken on funding projects and developed programmatic initiatives with a goal toward supplementing what the state was doing, or providing enhanced services, programs or park amenities that go beyond what the state was providing. There is no question that the line between supplementing and substituting for what the state was, is, or should be providing, is now eroding.

Funding Challenges for California's State Parks

There seems to be a foregone conclusion in the Legislature, the Governor's office, and in the Department of Parks and Recreation that the General Fund support that was cut from the Department's budget, particularly in the Fiscal Year (FY) 11-12 and 12-13 budgets (proposed), is never coming back. When you look at the trend line of funding for the Department, it is

ostensibly a reasonable assumption. The General Fund share of DPR's budget has dropped from 90% of its annual budget in FY 1979-80 to less than 29% for FY 2012-13. For many decades there has been a long slow decline with the department occasionally recovering in more prosperous times. However it is important to note that DPR never recovered in the good times to reflect the losses that it had suffered in the bad. The deeper cuts in recent years have had a more draconian effect on DPR than might be obvious when looking at absolute dollars or even percentage cuts. While we are realists about the current economic environment, CSPF is not willing to let policymakers off the hook so easily. We return to our first observation; the public's investment in, and support for our state parks is as essential to sustainability of the system as any institutional adjustments.

Providing, maintaining, and sustaining a park system is fundamentally about preserving a public good for which there is inevitably a public "subsidy" that must be provided. We have benefited from foresight and investment by Californians generations ago who felt obligated to leave all of us a system of irreplaceable natural, cultural and historic resources. These Californians protected and, in fact, grew it throughout a history of previous economic recessions and bad budget years. CSPF is not opposed to thinking more creatively about ways to match visitor needs and services to ways to pay for them, or creating new amenities that will draw new visitors. However, asking visitors to pay higher and higher fees as the public investment declines and declines, means the visitor is paying for less and less service and access to well maintained facilities. This is an equation that just does not balance.

At the very least, we should collectively decide about what a rationally-derived, minimally-acceptable level of General Fund support should be to DPR, in order to maintain and not dismantle the state park system. This is something we looked at in our fiscal sustainability work years ago. Without a rationale for funding, whether it be per visitor, per capita, per acre, per unit of management resources needed, or other, DPR funding will essentially be arbitrary and constantly subject to both political machinations and political cynicism about whether the funding is enough, too little or too much. Second, if there is consensus among policymakers that more General Fund support is unlikely or undesirable but they remain committed to a vibrant state park system, then a new dedicated funding source is necessary.

As you know, CSPF was one of the initiators and funders of Proposition 21 on the November 2010 ballot. The State Parks and Wildlife Conservation Fund Trust Fund Act of 2010, as it was formally known, would have instituted a new \$18 per car surcharge on vehicles licensed in California. In exchange, all cars with California license plates would have received free, year-

round access to state parks. California's state parks would have received the largest share of funding from the initiative, approximately \$250 million annually. Other conservation, wildlife protection and marine programs were also supported through the proceeds of the Trust Fund.

Obviously, we'd be having a very different conversation today if we had seen 57% of California voters support the measure, instead of oppose it. We do not take voters' rejection of the initiative as a vote of no confidence in their state parks. That ballot was a crowded one with a highly-charged, anti-government tone across all the other nine initiatives and from both candidates for Governor. We know that had an influence on the outcome that we frankly could not predict until we were right upon the election. However, we are also cognizant that the lack of passage itself is an influence on the overall debate about support and new funding for state parks.

We have not abandoned the effort for dedicated funding. Several aspects to the Prop 21 proposal are attractive and worth trying to replicate in any future sustainable funding stream:

1. **Simplicity:** The proposal itself was not difficult to understand, and it was easy for someone to figure out how much he or she would pay.
2. **Tangible Benefit:** Free year-round day-use access to virtually all state parks gave Californians a tangible, high-value benefit in return for paying the surcharge and, in fact, many voters realized their individual benefit would far outweigh what they paid.
3. **Broad Applicability:** In order to provide a benefit like that to all Californians for such a low price tag, the proposal required collective action.

Other Structural Impediments

There is no doubt that lack of funding is a key and primary impediment to the success and excellence in our state parks that CSPF and many other partners would like to see. Yet it is not the only challenge that faces our state park system.

The rules around what the bureaucracy can and cannot do in promoting and utilizing employees, working with outside funders or parties to make improvements in parks, or integrating outside expertise or counsel often hamstrings processes that could have much more creativity or yield productive outcomes. We certainly understand the need for consistency and accountability, but processes that are developed in the name of accountability often turn into roadblocks. Requiring the use of park employees for tasks that are better suited to others is also ineffective and inefficient with scarce resources.

Given the multitude of its constituents, it is understandable that the Department has tried to be the comprehensive provider of all park and recreation management functions within state parks. But this quest has, itself, created challenges to ensuring an excellent future in our state parks. Across the state in other conservation contexts as well as in other state park models across the county, true partnerships with other entities that have particular expertise is seen as a value-add, not a competition or a diminishing of mission.

At the same time, as the landscape of park management is changing, there is need for a skill set and expertise that is largely missing within the Department. Inviting, welcoming and working with new partners and experts requires a skill set and knowledge base to meaningfully manage and integrate the work of outside professionals with the state agency's work and mandates. The push for more revenue generation may lead to proposals like using and installing different technology, use of infrastructure systems management, highly-specialized adaptive reuse and rehabilitation of facilities, creation and marketing of new recreation outlets, and more. In such an environment, there is a clear need for DPR to have staff or assistance that can evaluate and synthesize the work and recommendations in this area, not duplicate efforts of outside experts.

Departmental Functions

California's state park system is the largest in the United States in terms of numbers of parks. It is second in overall size only to Alaska, whose state parks have immense acreage. By its sheer size, and complexity, the California State Parks system is profoundly different than any other system in the United States. This state system holds 1.5 million acres of conservation lands and cultural assets. California state parks receive 65 million visits a year. To put that in perspective, the ENTIRE national parks system receives 281 million visits a year.

When you ask Californians what the purpose of California's state parks is – as we did in our surveys leading into the Park Excellence Project – their overwhelming answer is to protect the natural and cultural heritage of the state. Interestingly that is the answer from those who use the system frequently as well as those who rarely visit parks. But state parks are different from other places that are dedicated to protecting important natural or cultural assets. They were deliberately created to allow the public to have access to them, insuring broad public appreciation for the legacy that every Californian has inherited.

As described above, DPR has a comprehensive approach to management of California's state parks and is responsible for a wide variety of functions, including (but not limited to):

- Natural resource management/setting standards for resource management

- Cultural & historic resource management/ setting standards for artifacts management
- Law enforcement
- Public safety
- Visitor services
- Educational programs
- Interpretive programs
- Volunteer management
- System planning/growth
- Recreational programming
- Grants distribution & management

Could some of the department's functions be done by others? They could, without a doubt, and in some cases are already being done at certain levels by or with others. As we said in our Park Excellence Report, "The task of protecting park resources and providing high-quality recreational experiences lives in a network of public, private and non-profit efforts and expertise."

However, two important points need to be made about this. The first is that the state parks system is indeed a system. As a result it is imperative not to be cavalier about parsing up the system to others without finding a way to keep it knitted together in very essential ways. This, for CSPF, means that the Department must be at the hub of such a network of partners who might provide a wide variety of assistance.

This state park system has been deliberately developed over more than one hundred years based in part on an extraordinary master plan that was prepared by the Olmsted firm in 1929 after the first state parks bond was passed. It continues to grow to this day based on deliberate policy direction from many parties, including state government and the citizens of the state itself. The Coastal Act has added greatly to the state parks system with its deliberate goal of creating access to the coast for all Californians. Organizations like the Save the Redwoods League and the Anza Borrego Foundation have added greatly to the system in their efforts to save our unique redwood groves and deserts respectively. New urban parks have been deliberately added to the system over the last three decades to bring the state parks system into urban centers, bringing a new type of park to those who might not reach wilderness without some closer to home. The same is true on the historic preservation side with a deliberate emphasis on telling the stories of all Californians and their heritage.

The second point that must be made is that DPR has developed around it an impressive array of parks non-profits but they have also kept them narrowly focused on a specific range of functions, largely fundraising, interpretation and the development of volunteer corps. There are some notable exceptions to that, but by and large, the changing demands on these organizations have us all confronting very challenging organizational transformations. These transformations are around moving organizational missions from enhancement to core service provision. They demand a level of operational analysis never previously required.

California Can Learn From Others

The number of parks and incredibly diverse geography, biology, geology and demography of users and communities near parks makes comparisons to other park systems challenging. Yet there are many things that other states and local parks systems are currently doing that could be useful examples to California, even if not complete solutions for the overall crisis facing our state parks.

State parks systems are very varied across the United States. Across the nation, they contain 7000 park units. Some of them are relatively modest with recreational facilities and little else. California has the largest system and arguably one of the most complex, based on the breadth of the types of parks in this system. I have worked for another large and complex state parks system, New York State's Office of Parks, Recreation and Historic Preservation.

Both systems share some key characteristics that lead to the complexities that are relevant to the Little Hoover Commission's proceedings. They are systems that have both natural resources of national and international significance and historic sites of equal significance. Both New York and California contain significant rural and urban holdings bridging many different types of user expectations and service demands. Both systems provide playgrounds for a wide variety of recreational uses.

However, there are fundamental differences in the ways the systems operate. For instance in New York State there is both Park Police and Park Rangers. The Park Police provide law enforcement functions and are deployed in smaller numbers than Park Rangers are. Park Rangers are more visitor service oriented providing everything from interpretation to crowd control. In addition, many of the historic sites have much more robust partners bringing substantial capacity and expertise. These organizations are able to support and lend skills and knowledge to managing, improving and promoting these historic sites in ways that go far beyond what is in practice in California.

Observations for Times of Change

The public's investment in, attachment to, and support for our state parks is as essential to sustainability of the system as any institutional adjustments.

Parks are a public good and they belong to the people. They do not belong to the Governor, to the Department, to the Legislature, to any local park association, or to my organization. We are *all* responsible for helping to steward and maintain the parks in the public's trust. And at the same time, as the public is entitled to these places, we are, each of us, responsible for them, too. One of the additional conclusions of the Prop 21 outcome, for CSPF, is that we need to educate, engage and empower Californians to see themselves not just as users of state parks, but as owners and guardians of these resources. Achieving that statewide culture of park empowerment would create changes in the public's visitation and use of state parks, where Californians, overall, see parks as an integrated part of their health habits, educational pursuits, recreational uses and lifestyle in general. It would mean a change in support for efforts to increase volunteerism, programming, and yes, funding for state parks.

Ultimately, this state parks systems and those all across the country have been supported by public funds because they will not survive for long without them. We must establish, at least, a rationale basis for allocating General Fund support for our state parks. The continued volatility of the General Fund also points to the need for a stable dedicated funding source for state parks that will allow for quality long-term land management.

The pressure to change the emphasis of our state parks to revenue generation and/or an entrepreneurial orientation changes the nature of the state park system and may exacerbate existing challenges in government institutions.

As I mentioned in the discussion about funding, CSPF is supportive of efforts to create more funding opportunities in state parks and provide more services and amenities to visitors for which they are willing to pay. However, there is a de facto priority on moneymaking that has been projected by the Administration's budget cuts and to some extent by the expectations in the Legislature about parks funding. Revenues are a means to an end, they are not the ends themselves. They help continue a parks mission that is about protecting resources and providing public access and recreation. It is critical that discussions, deliberations and decisions about

generating or incentivizing new revenues not overtake the core mission of the state parks system and the responsibilities of the Department of Parks and Recreation. As discussed above, Department staff have expertise in ecology, planning, recreation management, land acquisitions, law enforcement and volunteer programming. As an agency, it does not have profit-making, marketing or market research as key functions, let alone core functions. Even as it seeks outside help to advise on those areas in order to increase revenue opportunities, there is a potential for the balance between entrepreneurialism and mission to get out of balance.

To that point, for way too long, increased earned revenue was the way the department filled a hole created by the legislature or the governor. It is not a method for achieving better things in the parks system; it is for preventing bad ones. This perverse disincentive has created a department that is not entrepreneurial. There has been no authority, capacity or incentive to identify new approaches to revenue by bringing new types of partners to the table with mission-centric projects. This must change.

Transforming the network of park-supporting organizations and entities into a safety net for operating and directly managing portions of the park system is possible, but there are holes in that net.

This parks system, and most in the country, do already have a wide variety of partners from both the non-profit and profit making sectors. They also have a huge cadre of volunteers. However, these partnerships have been very constrained in some cases by law, and in some cases by practice. These budget times have forced the question; moving the concept of shifting from government, meaning the direct provision of served; to governance, meaning working with partners to achieve your goals, all that much closer.

Passage of AB 42 allows for a more deliberate effort to bring nonprofit organizations into the picture to help keep park units open. Currently, there are 87 nonprofit organizations with contractual agreements with DPR to provide largely educational and interpretive services and materials. Many of these cooperating associations have provided years of support to their park or parks, and admittedly began edging toward the operational line years ago. Some nonprofits have helped pay utility bills for their park when the park or Department was behind in payments. Some groups have supported portions of a state employee's salary, in order for that employee to be retained and/or available to that park unit. AB 42 allows DPR to enter into operating agreements with qualified nonprofits that will result in the nonprofit managing and operating the park unit, instead of DPR. To date, 15 nonprofits are considering agreements with the state for parks that are on the closure list.

CSPF sponsored AB 42 because we believe it is far more preferable to have a state park open under a different management scenario than to be closed altogether. We believe in the ability of the nonprofit community around parks and conservation in California to bring expertise, passion, community engagement, investment and creativity to keeping those parks open. We are not blind to the immense challenge, however. Just as there is a cultural shift happening within the state parks department, there is an equally-profound shift happening in the nonprofit community. Groups that have historically provided supportive services and amenities like volunteer programs, docent trainings, educational programs, interpretive events, sales of goods in park stores, etc. now find themselves contemplating a brave new world as well. They, too, are fundamentally changing their business model, shifting their operations and in some cases stretching their mission to step into the role of directly managing and operating park units.

The implications of these fundamental changes won't fully be known until we are on the other side of them and there are parks that have been successfully managed under nonprofit operating agreements for years. But there are a few things to keep our eyes on already:

1. In the short term, public access may be very minimal and not much more than DPR was maintaining under partial closures.
2. Some functions will never be able to be provided or adequately funded by nonprofits, and arguable should remain public functions, particularly (a) law enforcement and (b) resources management, to ensure resource protection and consistency with state and federal laws.
3. Achieving sustainability for parks managed by nonprofits is going to need to have the same revenue creativity, but also the same balance of revenues vs mission as parks managed by DPR.
4. Nonprofit management of parks will still require philanthropy, but the ask is now clearly for donors to substitute for what was previously paid by public dollars, dollars that may not ever return.
5. Engaging the wider non-profit community beyond traditional parks non-profits will ramp up expertise and engage new audiences in managing parks, be they land trusts, historic preservation organizations or institutions of higher learning.

Conclusion

The dynamics for state parks is changing right now, and changing forever. The question is how the broad parks community should respond to those changed dynamics.

Park closures are a symptom of a long hidden but undeniable defunding of our state parks system. The root problem facing California's state parks stems from every legislative, administrative and departmental decision that led up to the decision to close state parks – decisions to underfund our parks, over-commit our resources, overpromise services on unrealistic budgets and staffing, and more.

The problem we are all ultimately solving for is the collective need for a state park system that is accessible to the public, vigilant in protecting natural, cultural and historic resources that are irreplaceable, welcoming to its visitors, effective in teaching the stories of California's history, and relevant to a public whose needs and experiences with parks and the outdoors are changing. State parks must once again take their preeminent place in the literal landscape of California again. We hope that the Commission's examination will lead to recommendations that insure the strengthening of every part of the state parks web from the Department to its partners to the citizens for whom these parks were protected.