

Executive Summary

In 2014, California will either celebrate the 150th anniversary of its state park tradition by revitalizing its Department of Parks and Recreation or bemoan its failure to set a new course. In the face of crisis, Californians rallied in 2012 to avert the threatened closure of 70 parks – a quarter of the state’s total. The department, together with foundations, cooperating associations, friends groups, donors and other government agencies, mustered enough money and deals to save nearly all the parks slated for closure – temporarily. To address the acrimony following the discovery of unspent department reserves, the Legislature moved to halt park closures for two years. Governor Edmund G. Brown Jr. named a new director and management team, filling a months-long leadership void.

These signs are encouraging, but on their own, not enough.

The announcement that the department could not sustain 70 of its parks with its existing funding and operating model signaled that the existing model is irretrievably broken. The state must start the process of developing a new model and make strides to implement it before its temporary reprieve expires. A government that long ago preserved California’s most outstanding natural wonders for the public now must act quickly. In the words of California state parks historian Joseph H. Engbeck Jr., the state must “identify the best way to organize, finance and operate the California State Park System in the 21st century and the centuries to come.”¹

Over the past 12 months, the Commission conducted a detailed examination of the state park system in California and studied conditions and structures of other park systems throughout the nation. It analyzed trends in park management taking hold across the United States and throughout the world. It held two public hearings and two advisory committee meetings and conducted dozens of interviews with current and former state park managers, various experts in public land management and numerous state park stakeholders and partners. In its research, the Commission found that:

- The Department of Parks and Recreation can't generate enough revenue on its own to replace continual reductions in taxpayer support.
- The current model of a highly centralized state-run park system is obsolete.
- The department's staffing structure is ossified.
- Relationships have deteriorated with many of the park system's most important partners and supporters.

The Commission's study was designed to look beyond the problems disclosed in 2012 that damaged the department's credibility, which have already been scrutinized in four investigations and audits. New management is committed to fixing these problems.

The Commission focused on problems that are more fundamental, and must be addressed if the department is to successfully implement the changes sought in reform legislation passed in 2012.

The problems revealed in 2012 only serve to underscore the deep structural problems state parks face. Based on what it has learned, the Commission has developed recommendations for the long term to put the department and state parks on a sustainable path for the next 50 years. The issues the state park system faces are interlinked and reinforce each other. Solving one in isolation will not accomplish enough to keep the department on course to sustainability. In the interest of a comprehensive solution, the Commission's study process has identified six distinct problem areas that undermine the vision and accomplishments of previous generations of park builders:

- General Fund support has fallen for nearly 35 years.
- Self-generated revenues are unpredictable due to weather and other factors.
- The department lacks modern business tools to sustain a revenue-driven model.
- Bond borrowing has expanded the park system and added cost without providing adequate operating revenue to support its added size.
- A department culture built around preservation, protection and public safety finds change and working with outside partners difficult.
- The department has an outdated self-view that regards outside organizations as helpers instead of full-fledged partners.

These challenges must be successfully addressed if California's state park system is to survive and return to its status as an international model for others.

A System for the Next 50 Years

Over the course of the study, the Commission saw firsthand the anxiety within the department caused by the combination of budget cuts, planned park closures, internal wrongdoing and the scramble to line up operating agreements for the 70 threatened parks. The Commission also witnessed a fissure within the department between those who feel a restructuring is long overdue, and those who fear the risk of change and moving too quickly.

Risk accompanies all change, but for the California Department of Parks and Recreation, the risk of not changing is considerably greater. The department has a limited window of opportunity to establish a new model for operating its parks in a way that develops new revenue. Otherwise, it risks a replay of the scramble to save parks it cannot afford to operate.

This new model requires building a new outward-looking, collaborative culture that embraces the concept that increasing the number of visitors who experience California's parks is the best way to protect them for future generations. It will mean doing things in ways that are different from how they have been done in the past. The reality: The old ways are unsustainable and the department already has been forced to adopt new approaches for the 70 threatened parks.

These new approaches are confined to the 70 parks on the closure list. The department can learn a great deal from these real-time experiments. In the past, the department has accepted very limited change only under duress, turning to outside operators such as the National Park Service and county and regional park districts, to operate state-owned parks, and in some cases, turning over parks to other government agencies. It is time to reconsider these arrangements not as exceptions, but as viable options for running a portfolio of parks, reserves, and cultural and historical sites, and give the department the authority to do so.

To move forward, the department, with the support of the Governor and the Legislature, must craft a new vision that both serves its existing mission and starts the department's transition to an enterprise-based organization that takes the "role of the center" in a

constellation of other groups and organizations. This vision must be used to drive cultural change within the department and explain its new operating model to the Legislature and to the public. The vision must take seriously the department's need to rebuild trust with the public and its partners, and to establish a culture that is transparent and accountable.

The vision should include these principles:

- State parks are a public good held in trust for current and future generations and deserve state support.
- The department is both a steward of important cultural and historic assets and a critical conduit of California's rich and diverse heritage to future Californians.
- Shared management initiatives are essential to the future of the state park system.
- Partners will be key players in decision-making and rule-setting.
- There is no one, single way to run the entirety of the state park system.
- Californians have a right to have high expectations for their parks, and their sense of ownership should be respected.

The department's 2011 internal process used to determine which parks should go on the closure list was not sufficiently open. It blindsided communities whose economies relied on them and left the impression that it did not hew closely to criteria the department developed for the task. The process, however, raised questions that must be explored:

- Which parks should be part of the state park system? What should be done with parks that should not be part of the state's collection?
- What are the most appropriate ways to operate those parks that remain part of the state park collection?

As a starting point for building a new operating model, the department should undertake an assessment of the parks, reserves, cultural artifacts and historical buildings and sites in its holdings. This assessment should be done through an open process, ideally facilitated by the California State Park and Recreation Commission. The department should seek the assistance of the legislatively mandated advisory group to suggest appropriate criteria for the assessment.

The 2012 park closure crisis demonstrated that the state cannot operate all the parks it owns with its current funding structure. Some of the parks in the state's collection may not serve the system's statewide mission, or primarily serve local or regional populations. Those parks that serve local needs should be realigned to local control. The resulting collection should represent parks of statewide significance.

The assessment also should include the department's collection of cultural and historical artifacts and historical sites, which are deteriorating from lack of maintenance. This process necessarily will require the involvement of California's tribal leaders, as the state's collection is the repository of a considerable amount of tribal artifacts.

Once the state has determined which parks should represent the state, it must take what it has learned from alternative operating arrangements and do a rigorous evaluation of what management approaches are most appropriate for a given park, or group of parks that are in the same geographic area. As part of this process, it should look to models used successfully in its own parks, such as Redwood National and State Parks, and the state parks operated by the East Bay Regional Park District. It also can look to collaborative efforts, such as the management structure set up for the Cosumnes River Preserve, as well as arrangements used by federal agencies in California. The department should encourage innovation and solicit proposals for resource-sharing agreements, as well as ideas for consortium-led management for groups of parks owned by different government entities.

There are many paths to the goal to keeping the state's parks open and protecting the state's resources for the future. A new vision for the department and developing a culture that adapts to hearing and implementing new ideas are critical to finding these paths.

The department needs new tools as well, particularly business management tools that can allow managers to identify and track costs, quickly account for and report revenues and expenditures, and help develop forecasts critical to developing marketing strategies and investment plans. Despite the state's expectation that the department will increase self-generated revenues to make up for diminishing General Fund contributions, the department lacks these essential tools. It also lacks widespread expertise in how to use them. Adopting business enterprise tools, however, will both allow the department to be more successful and efficient, while providing greater accountability and transparency needed to restore trust.

These new tools also must include modern legal arrangements. In the new model, the department's partners will come in many forms, as will partnership agreements. Some are volunteer associations whose focus is a single park. Others are small concessionaires that specialize in one area, whether maintenance or raft trips. Others are foundations with substantial resources and corporations with experience in running large operations in different states. The state must help the department adjust to these differences by updating its contract regulations and operating frameworks to reflect the different sizes and capacities of the department's various partners.

The department must be able to develop the expertise to be a good partner while serving the public interest with the goal of enhancing the sustainability of the park system as a whole. This will require training in how to use new business systems, and coaching in how to become more innovative and entrepreneurial. For the department's upper management ranks, it will require learning how to say "yes" to new ideas from partners as well as from park superintendents. The training, and retraining, is integral to the cultural transformation, which will require the department to rethink how it allocates its training dollars and how it builds career development paths for its employees.

Ultimately, the department, together with its partners, should develop sustainability plans for each of its parks that go beyond the parks' general plans and lay out how they expect to operate and take advantage of revenue opportunities that serve the state's goals of recreation, preservation, conservation and education. The department director, with the help of the advisory council, should develop employee incentives for meeting goals laid out in the sustainability plans. Here again, training in how to develop and implement sustainability plans will be critical to the department's transition to this new operating model.

The California Department of Parks and Recreation currently devotes a large proportion of its training efforts to law enforcement training for its park rangers. Such training also is almost always required for department employees who wish to move up into management. One such result is that the department's management ranks are heavily represented by rangers with law enforcement training. In interviews and testimony, the department's stakeholders have said that this contributes to a culture of enforcement and protection, and has inhibited the department's ability to adapt quickly to change.

The department needs a diversity of perspectives in management. The department already had proposed opening up paths to

management, by allowing people who do not have law enforcement training to be considered for promotion. The Commission encourages the department and the Department of Human Resources to take an even broader approach with the goal of bringing not only talented professionals from the department into management, but making it easier to hire experienced managers from outside of state service.

The department will need a diversity of skill sets to successfully transition to its new operating model. For some of these skill sets, no job classification currently exists. The department needs the flexibility to train employees for new jobs and new responsibilities. As well, the director needs to have the ability to identify, prepare and promote talented employees to positions in which they can contribute the most value.

With the growing specialization and professionalization of all park service jobs, the role of the park ranger is increasingly that of law enforcement. At the same time, the department is facing a chronic shortage of rangers. California needs park rangers. The parks department mission is best served by the generalist ranger who can serve as ambassador and, properly trained, as park manager.

Public safety is an essential function for the park system. Visitors and employees alike should not only expect to be safe in California's parks, but have confidence that they actually are safe. But as the department evaluates new operating arrangements and assesses its holdings for statewide significance, it also should analyze what its law enforcement needs are, and where, and what options exist to serve those needs. This effort could be helped immensely by an independent analysis. In some cases, options may include memoranda of understanding with local law enforcement agencies, as some of the parks now operated by not-for-profit volunteer associations have developed.

To address the ranger shortage, and to bolster the function of the generalist ranger and the public safety function, the department should restructure the ranger classification to create a generalist ranger classification, and a separate classification specifically for a law enforcement ranger, or park police. These classifications would allow the department to hire law enforcement rangers to be assigned to where they are most needed, according to the analysis of public safety needs, and where other options, such as memoranda of understanding with other public safety agencies, are not attractive.

This will free up training resources presently consumed by park ranger law enforcement training, allowing the department to broaden

its programs so that more parks employees can learn the skills they will need. In this arena as well, the department should take advantage of what its partners can offer, whether it is leadership training from the University of California, Merced, National Parks Institute, or business and resource management classes offered by other UC campuses, California State University or California's community colleges.

California built a state park system without compare, setting an example for other states and other countries. For decades, it relied on strong General Fund support that allowed it to operate as it always had, even as other states and other countries developed new approaches to operating park systems. The Department of Parks and Recreation experimented with alternative approaches when tight budgets pinched, but these challenges failed to motivate more fundamental change.

Now the department must evolve, adopt a new vision and develop and execute a new strategy that requires moving to a more enterprise-based operating model. The challenges are many, but largely known. The opportunities are plentiful as well, and many are yet to be discovered. The department benefits from many strengths: a trove of parks that offer unparalleled beauty; a respected, committed and knowledgeable staff; partners who can offer support and expertise; and a passionate public. Time, however, is short.

The Commission offers these recommendations to help focus the state's efforts and to galvanize support for the department's immense and important task of transformation ahead.

Recommendation 1: The state should develop and communicate a vision for the California Department of Parks and Recreation that articulates its mission, its evolving role and the importance of its relationships to other agencies, organizations and groups. This process should be led by the department director with assistance of the department's new advisory body and the State Park and Recreation Commission. The vision should be codified into state law. The vision should:

- ❑ Affirm that state parks are a public good held in trust for current and future Californians and are deserving of stable funding support from the General Fund, or other permanent state funding source, as part of the state's stewardship obligations.
- ❑ Emphasize the importance of innovation to enhancing sustainability, and the need to create a culture and structure to support and encourage innovation.

- ❑ Acknowledge that requiring state parks to generate more revenue to support operations comes with the obligation to provide more flexibility in how parks are operated, the appropriate tools to do so, and greater transparency in accounting for outcomes.
- ❑ Recognize that requiring state parks to become completely self-sufficient is antithetical to the mission of preservation and access and the state's stewardship responsibilities.
- ❑ Define the Department of Parks and Recreation as a leader and coordinator of state park operations that works cooperatively with non-state partners, including foundations, volunteer associations, concessionaires and other park systems.
- ❑ Recognize that state parks are important drivers of local economies, particularly in rural and remote counties, where they often serve as the hub of a regional recreation economy, strengthen community bonds and generate jobs and other benefits for the state.

Recommendation 2: The state, through a public process, should assess which parks presently under state ownership have statewide significance and which parks serve primarily regional or local needs. Parks that lack statewide significance should be transferred to local control. Objective criteria for determining statewide significance should be developed through a public process with the assistance of an advisory council. This process should be led by the State Park and Recreation Commission under the guidance of the department director. The Legislature should craft legislation to remove legal or regulatory hurdles to doing so and provide adequate resources for the process.

Recommendation 3: To enable California's state parks to generate more revenue, the state must transition from a model of centralized state control to a more enterprise-based operating model that serves the mission of protecting natural and historical assets and increasing public access and enjoyment of these assets.

- ❑ The new model should have as its central goal the enhancement of the sustainability of the parks system as a whole.
- ❑ The new model should recognize that not all state parks can be treated alike, and that parks have different cost structures and different capacities for generating revenue.
- ❑ The new model should take advantage of experience with joint operating models and employ a greater degree of joint operations, or enlisting partners to take on responsibilities for operating units.

- ❑ The State Park and Recreation Commission should redesign the framework of partnership (e.g. non-profit and concession) operating agreements to recognize the wide variety of the state's park holdings, different needs and objectives of individual parks or sites and the differences in the types and sizes of service providers. These redesigns should be subject to approval by the department director and may require statutory (e.g. California Public Resources Code) changes.
- ❑ The department, in consultation with district-level leadership and outside partners, should develop sustainability plans for each park that should be submitted to the State Park and Recreation Commission for approval.
- ❑ The director, with the help of the advisory council, should develop incentives for meeting goals laid out in each park unit's sustainability plan. The director should brief the commission on the results of these incentives annually.
- ❑ Based on its experience with joint operating agreements with the National Park Service and regional park services, the department, on a pilot basis, should solicit proposals for cooperative operating arrangements that bundle geographically proximate parks owned by different government entities for greater operating efficiencies. Consortiums making proposals may include as members state, national and regional park agencies, conservancies, trusts, volunteer associations and private concession companies. Consortiums may propose their own operating and staffing models, as long as they are consistent with the goals of natural and cultural resource preservation, public access and education.

Recommendation 4: The state should commit to General Fund support for the Department of Parks and Recreation, which should be adjusted to reflect the number of parks, recreation areas and historic sites in state hands following the assessment of the department's holdings.

- ❑ Revenue generated by state parks operations should supplement, not supplant, General Fund support for the department.
- ❑ Through a continuous appropriation, the state should allow the department to retain additional revenue it generates through its own operations to better enable the department to make multi-year investments and develop sustainability and marketing plans.

- ❑ Individual parks should be allowed to retain some portion of their revenues to be reinvested in local operations.
- ❑ This increased funding flexibility requires more accurate, timely and transparent financial accountability. The state should finance, adopt and integrate modern business financial accounting systems to more closely track expenditures, money flows and account balances to facilitate more accurate financial planning.
 - ✓ These accounting systems should be able to provide an accurate financial picture of both the park unit level as well as the department level, so that monthly outlays and revenues can be more easily monitored.
 - ✓ Once equipped with appropriate financial systems, the department should report annual operating results to the public.

Recommendation 5: The Director should develop incentives and performance measures for the department to incentivize improved outcomes and submit annual performance reports to the State Park and Recreation Commission for review and comment.

Recommendation 6: The department's new operating model will require a variety of skill sets, some of which do not currently reside within the Department of Parks and Recreation. The department should be given the flexibility to hire and promote employees who demonstrate the skills to manage and operate state parks in accordance with the mission of natural and cultural preservation, public access and education.

- ❑ The state should establish the job classification of park manager. The department should be given the authority to hire park managers and district supervisors with demonstrated park management and strategic planning skills, either from experience in other public park systems or from private enterprise. These managers should not be required to obtain Police Officer Standards and Training certification.
- ❑ Either through the department's training academy or through outside training programs, the department should increase the existing staff capacity for developing sustainability plans, forecasting, marketing and park management.
- ❑ To establish a broader range of perspectives and professional experience in the department's management ranks, the department should revise requirements for promotion to enable a broader range of professionals to be promoted into

management positions. POST certification should not be a requirement for these positions.

- ❑ To ensure public safety in the park system, the California State Park and Recreation Commission should solicit an independent analysis of crimes committed on state park property to determine where and what level of public safety resources are most needed.
- ❑ To address the shortage of park rangers, the state should restructure the ranger classification to create a generalist park ranger classification with broad responsibilities and a park police ranger classification, which would focus on public safety in state parks operated by the department. Rangers in both classifications should be eligible for promotion into management.
- ❑ The department should develop a public safety strategy that combines memoranda of understanding with local law enforcement and deployment of park police rangers to maximize public safety and efficient deployment of resources.