

Outline of Comments before the Little Hoover Commission

Governor's Proposed Elimination of the Department of Boating & Waterways

April 25 Meeting

Jerry Desmond, Jr., Director of Government Affairs, Recreational Boaters of California

May 21, 2012

- 1. The Recreational Boating Community is UNANIMOUS in support of the preservation of the Department of Boating and Waterways:**
 - List of Opponents
 - 3,000 letters of opposition

- 2. RBOC represents the boaters who fund the department**
 - We are 80,000 boating families, in our 43rd year
 - We do not receive loans, grants or subventions
 - We are not the regulated businesses fighting to preserve the status quo
 - We are not appointed officials in the Governor's administration who are by the nature of their appointments required to support the proposed reorganization

- 3. The Governor's administration has not engaged the boating community in a thoughtful discussion of the proposed elimination of DBW**
 - Contrary to statements at beginning of the Commission hearings

- 4. The comparison to the Off-Highway Vehicle Division does not support the elimination of the department**
 - There are significant operational differences
 - There are significant leadership differences \ position in the "org chart"
 - OHV does not provide loans
 - DBW partners with loan recipients throughout the process, ensuring projects are beneficial and successful
 - Most importantly: the OHV constituents have major issues, as headlined in the Spring association newsletter urging donations to sue the state over the redirection of trust fund monies to the General Fund.

5. **While we recognize a policy perspective might be held that Governor's should be able to structure their administrations as they choose, there is a need for balance as the Legislature endeavors to ensure that the laws it passes are implemented in a full, effective and efficient manner.**

- This supports the preservation of the Department of Boating and Waterways.

6. **Department of Boating and Waterways provides:**

- Boating facilities
- Law enforcement
- Education
- Consumer Protection
- Safety
- Environmental Protection

7. **California's four million recreational boaters do not all use state parks.**

- Our needs are best met by a department that has equal status with other departments, not a division

8. **Why Boaters Care**

- **Cal Boating provides accountability, transparency and leadership** regarding the collection and use of boater-derived taxes and fees, and the best use of these funds for programs that benefit boating.
- **Eliminating Cal Boating would not save a single General Fund dollar.** All of the Department's funding is boater – generated.
- **Eliminating the department would not help resolve the current budget crisis.** The department is funded by boater fuel tax dollars, registration fees, and interest payments on infrastructure loans. If there are any efficiencies to be obtained, it is in the savings from eliminating its leadership which is its essential to its effectiveness.
- **Cal Boating creates jobs through loans and grants of boater funds for boating infrastructure** throughout the state that ensures boater access to waterways.

- **This state's more than 4 million boating enthusiasts must have a department with a Director whose primary focus is boating.**
- **Cal Boating has a compact organizational structure** and administers boating programs in a timely and non-bureaucratic manner. Its statutory charter is directly boating-related.
- Cal Boating is the **Gold Standard**
- **The Boating and Waterways Commission provides accountability, oversight, transparency** as it provides advice and consent on loans and grants of boater-generated funds

9. What is at Risk

- **Money** - Fees and taxes paid by boaters will not be used for the intended purposes.
- **Transparency** - The special revolving fund administered by Cal Boating will no longer be transparent.
- **Service** - The efficiency and effectiveness of boating programs and services will be compromised.
- **Priority** - Boater programs and services will become a lower priority and could eventually be eliminated.
- **Leadership** - Boaters will not have a single-minded leader with a department-level status in the state agency.

Thank you for the opportunity to discuss our position today.

In response to questions from Members of the Commission:

1. How boater funds have been re-directed in the past: after a class action suit was settled, the re-direction was from the Motor Vehicle Fuel Account rather than the Harbors and Watercraft Revolving Fund.
2. What is of concern with becoming a division: leadership - rather than be a department with equal status amongst other departments like the

Department of Parks and Recreation, a division would exist within the Parks Department and would be at the level of other divisions with the corresponding loss of stature and leadership

#