Beyond Crisis:
Recapturing Excellence in California's State Park System

Little Hoover Commission

March 2013

Little Hoover Commission

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To Promote Economy and Efficiency

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives....

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the Governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

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This report is available from the Commission's website.

State of California

LITTLE HOOVER COMMISSION

March 21, 2013

The Honorable Edmund G. Brown, Jr.
Governor of California

The Honorable Darrell Steinberg
President pro Tempore of the Senate
and members of the Senate

The Honorable Robert Huff
Senate Minority Leader

The Honorable John A. Pérez
Speaker of the Assembly
and members of the Assembly

The Honorable Connie Conway
Assembly Minority Leader

Dear Governor and Members of the Legislature:

California has been given a two-year window of opportunity to save a park system built over 85 years to global prominence. The alternative: Accept decline and a sharply curtailed vision for California parks in the future.

To thrive, and to protect and preserve the natural and cultural treasures entrusted to the state, the California Department of Parks and Recreation needs a new operating model built around shared management, innovation, greater transparency and the expectation that it generate more revenue from its operations.

The old model is obsolete. That was driven home by the decision to close 70 parks – a quarter of the state's total – to address a $22 million budget cut, an amount that represented 18 percent of its General Fund allocation, but just over 5 percent of its overall operating budget.

The Little Hoover Commission calls on the Governor and the Legislature to help the California Department of Parks and Recreation and its many valuable partners by giving the department the tools, authority and flexibility required to develop a new operating model. These include the basic accounting and financial analysis tools required to run an enterprise and the authority and flexibility to move talented professionals into the positions where they can do the most good. These tools also should help enhance transparency and accountability and rebuild trust and confidence lost through the disclosure of financial mismanagement and hidden reserves.

The appointment of a new director and management team and their delivery this month of a strategic action plan mark encouraging positive steps in this process. It will be for them to develop a new vision of the park system to drive its mission, a vision that embraces innovation and extends the definition of the park system to include its partners.

Along with developing this new vision, the Commission recommends that the department, with the help of the State Park and Recreation Commission, undertake a public, top-to-bottom assessment of the parks in its collection to determine which have clear statewide significance and which parks serve primarily local or regional populations. Those parks determined to serve primarily local or regional needs should be realigned. This analysis should look beyond parks, to include the system's cultural and historic assets as well.

California's state park system has been a signature accomplishment of state government. The system includes redwood groves, mountains, deserts and beaches. All are icons of California's natural splendor, here at home and around the world. Cultural and historic treasures tell California's evolving story to Californians and visitors alike. All have been protected in public

trust created by a far-sighted government and groups and individuals generous with their time, labor and money.

But California rested on its laurels. It pared state support for the parks even as it added more acreage. It held tight to outdated ways of operating the system as other states, other countries, innovated and modernized. As a result, California allowed its justly renowned park system to fall into disrepair, saw visitor numbers drop and generated concern about the public trust legacy it is leaving to future generations.

Though the system has struggled financially for decades as it replaced falling General Fund allocations with revenue raised through fees and concessions, the $22 million budget cut marked the tipping point.

It also marked a rallying point. Individuals, non-profits, foundations and companies scrambled to find fixes to keep the 70 parks open, if only temporarily. The outpouring of generosity, resourcefulness and ingenuity demonstrated that California's parks have immense support, from individuals as well as national and regional park systems. The agreements developed to allow outsiders to run or help run state parks also demonstrated that there is a range of operating alternatives as well.

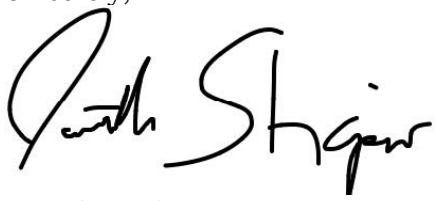
Shared management initiatives with these partners are essential to the system's future. The state's partners helped build and sustain the system and they helped save it. They will expect, and should have, a greater say in how to run parks going forward.

The Governor and the Legislature should give the department the authority to try more alternative management approaches throughout the system, to tap the expertise of these partners and to share the risk that comes with innovation. Such shared management approaches should be considered not just at the 70 parks that were threatened with closure or in the limited experiments forced by previous budget crises, but wherever they are found most appropriate to serving the department's mission.

As the department makes greater use of its partners, it also must have the ability to make greater use of its own professionals. It also must have the ability to hire outside professionals who have expertise and experience the department currently lacks. This will require adding job classifications that do not yet exist and removing obstacles to promotion so the department can benefit from a broad range of management perspectives.

The leaders of California's park system, both inside government and out, share a sense of urgency. The state has limited time in which to develop a new operating model that can allow the park system to move toward sustainability and to deliver on the state's stewardship obligations to present and future Californians. The recommendations in this report are designed to lay out a road map for the state's next steps, and the Commission looks forward to working with you to implement them.

Sincerely,



Jonathan Shapiro
Chairman

BEYOND CRISIS:
RECAPTURING EXCELLENCE IN CALIFORNIA'S STATE PARK SYSTEM

Table of Contents

Executive Summary..... i
The State Parks of California..... 1
New Model Needed..... 19
Toward Funding Stability and Revenue Growth..... 47
Creating a Broader Outlook..... 67
Commission Study Process..... 85
Appendices & Notes..... 89
Appendix A: Public Hearing Witnesses..... 91
Appendix B: Little Hoover Commission Public Meetings..... 93
Notes..... 95

Table of Sidebars & Charts

California State Parks at a Glance..... 2
Protected Land Ownership in California..... 4
Department of Parks and Recreation Mission Statement..... 5
Ballot Arguments for Passing California State Park Bonds..... 9
Building Blocks of the State Park System..... 12
California State Auditor: Closure Plans May Have Been Premature..... 23
Should Hearst Castle be in the State Park System?..... 35
Lessons Learned: Redwood National and State Parks..... 37
Examples: Cooperative Management of Public Park and Conservation Lands in California 39
Funding Sources for Department of Parks and Recreation..... 48
A National View: Potential Revenue Sources for State Parks..... 53
Legislation Proposes Oil Tax for State Parks..... 56
State Park Concessions: Top Moneymakers..... 60
Department's 1995 GOLD Team: "Specialization Bias" Toward Law Enforcement..... 76

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.

The State Parks of California

California's 1.5 million-acre state park system ranks among the scenic wonders of the Pacific Rim. Conservationists and government leaders established the California state park system in 1927 to preserve the state's iconic old-growth redwood groves and other natural treasures. Ensuing decades of fund-raising, philanthropy and political energies made it the nation's second-largest state-owned assemblage of park properties for outdoor leisure, wildlife protection and historic and cultural preservation. Only Alaska, with 3.3 million acres, has a larger state park system.

The California state park system's 280 parks, historical sites and reserves include campgrounds and river trails, remote wildlife areas and historic sites. Its wild terrain includes seabed preserves, beaches, dunes, marshes, lakes, streams, rivers, deserts, forests, meadows and grasslands. Among its cultural landmarks are Native American gathering sites, Spanish missions, Russian pioneer forts, the oldest continuously used Taoist temple in California and the home of California's last Mexican governor. These scenic and historic attractions draw more than 60 million visitors from around the world annually, a vast gathering of bird watchers, surfers, all-terrain vehicle and mountain bike riders, hikers, tourists and California public school fourth-graders who learn history up close on school trips.[2] Economists estimate that California state parks generate as much as $4 billion annually for the state.[3]

The California Department of Parks and Recreation manages the system with an array of partners that include the California Park and Recreation Commission, the California Off-Highway Motor Vehicle Recreation Commission, the California State Parks Foundation, more than 80 cooperating associations and friends groups, numerous local governments, regional park districts and dozens of concessionaires.

Specific classifications within the state park system include:

- 87 state parks.
- 63 state beaches.
- 51 state historic parks.
- 33 state recreation areas.

- 16 state natural reserves.
- 8 state vehicular recreation areas.

The largest of California's parks is Anza Borrego Desert State Park, acquired in 1933. The 586,951-acre desert park represents more than one-third of the entire state park system's footprint, spread over parts of San Diego, Imperial and Riverside counties.[4] Although 93 percent of state park acreage is managed and protected for its natural resource and wildlife habitat values, the system also houses one of the nation's largest historical collections. The department oversees 11,008 prehistoric and historic archaeological sites, 3,195 historic buildings and more than 6 million museum objects and archival documents.[5]

California's state park holdings represent roughly 10 percent of the nation's 14 million acres of state park acreage. Collectively, the nation's 50 states own and manage 7,804 state park, recreation and natural areas, which drew 720 million visitors between July 2010 and June 2011.[6] That compares with 398 national parks and 84 million acres of land and 4.5 million acres of oceans, lakes and reservoirs managed by the U.S. National Park Service.[7] Eastern states tend to provide more recreational amenities in state parks, such as golf courses, swimming pools, restaurants and overnight lodging. Western states have tended to concentrate on acquiring scenic areas and leaving them undeveloped.[8]

Long-Declining Attendance

Between July 2011 and July 2012, 67.9 million people visited a California state park. That was up from 63.4 million the previous year. Both figures mark a return to 1990s attendance levels and a drop from the highs in the 70 million and 80 million range of the past decade. This drop in visitors has occurred even as the state's population has increased by 10 percent since 2000 and the park system has simultaneously grown by 168,000 acres.

Declining attendance figures correspond with rising fees in recent years as the department has responded to declining General Fund support. State park attendance peaked at 85 million visitors between July 2001 and June 2002, when the state halved day use fees to $3 and trimmed overnight camping fees as well in response to a booming economy and

California State Parks at a Glance

- 339 miles of ocean coastline.
- 646 miles of lakes and reservoir shoreline.
- 327 miles of riverfront.
- 14,206 individual and group campsites.
- 7,210 individual picnic sites.
- 4,522 miles of hiking, biking and equestrian trails.

Source: California Department of Parks and Recreation, Planning Division. May 2012. "California State Park System Statistical Report 2010/11 Fiscal Year." Pages 6-7. http://www.parks.ca.gov/?page_id=23308. Accessed March 18, 2013.

strong state revenues. The fee cuts lasted two years before a softening economy and budget cuts drove them upward again. Visitor numbers since have declined in all but the 2006-07 and 2011-12 fiscal years.[9]

California's Enormous Network of Protected Lands

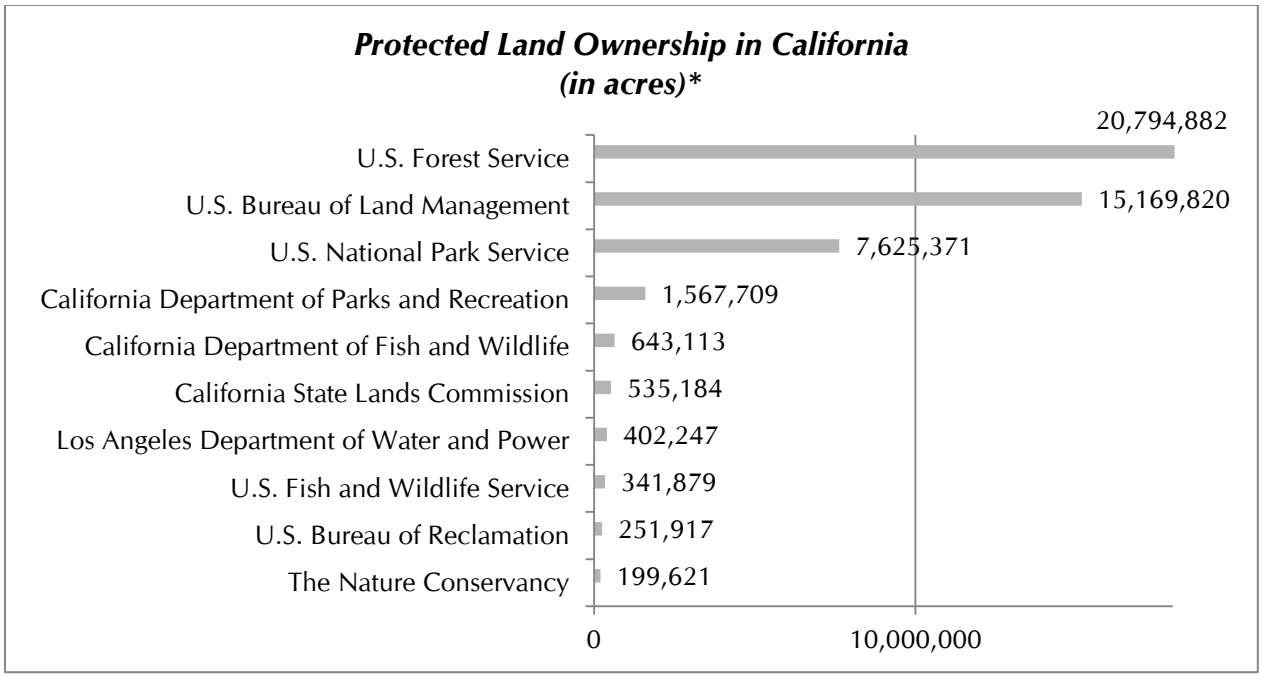
The California state park system is just one part of a large inter-related network of protected lands and parks that have multiple owners and cover nearly one half of California. With 44.1 million acres, the federal government's California land holdings dwarf state park acreage. Three federal agencies provide state parks with ample competition for visitors and recreational activity:

- **The U.S. National Park Service**, within the U.S. Department of the Interior, operates 26 national parks in California. Its 7.6 million-acre system of forests, seashores, mountain ranges and historic places is five times larger than the California state park system. Iconic global attractions such as Yosemite, Kings Canyon, Redwood, Point Reyes, Death Valley and Joshua Tree national parks attracted approximately 36 million visitors in 2012, about half the number that visited California state parks.[10]
- **The U.S. Forest Service**, within the U.S. Department of Agriculture, operates in an even larger arena of public land ownership. It manages 18 national forests in California totaling 20.7 million acres. These lands include 29 wild and scenic rivers, 25 ski areas and 1,000 campgrounds. In 2012, they attracted 35.6 million recreational visitors.[11]
- **The U.S. Bureau of Land Management**, within the Department of the Interior, operates 48 campgrounds, 53 trails and dozens of recreation areas on 15.2 million acres preserved for multiple uses that include recreation, livestock grazing, mineral development, energy production and conservation. The bureau attracts approximately 9.4 million recreation visits and 3.2 million campers and picnickers annually to its California holdings.[12]

Conservation groups, land trusts, cities, counties, regional park districts, open space districts, water districts and power-generating utilities also own and manage thousands of acres of land for conservation and recreational purposes. Collectively, the Nature Conservancy, Wildlands Conservancy and National Audubon Society manage nearly 350,000 acres of California open space. Land trusts such as the Peninsula Open Space Trust, Sonoma Land Trust, Solano Land Trust and California Rangeland Trust collectively own 51,000 acres of natural areas to serve as buffers from development.

City and regional park and open space districts also play major recreation and conservation roles in California's urban areas. The East Bay Regional Park District owns 89,011 acres of Alameda and Contra Costa counties. The San Diego city Park and Recreation Department owns 66,758 acres, including 25.9 miles of Pacific Ocean shoreline and 27 miles of Mission Bay shoreline. In San Mateo County, the Midpeninsula Open Space District owns 54,329 acres of coastal mountainous terrain overlooking the Pacific Ocean.[13]

Californians also enjoy abundant open space to play near their homes. Nearly all of California's 482 cities offer park and recreation services for their residents and visitors. Eighty percent of California counties also provide parks, according to the California Park and Recreation Society, a Sacramento-based advocacy group for park professionals.[14]



*Protected areas cover approximately half of California's 101 million acres.

Sources: Green Info Network. July 2, 2012. California Protected Areas Database. "California's Top 50 Protected Areas Owners." http://www.calands.org/download/CPAD18_Release_Notice.pdf. Accessed July 26, 2012. Also, Department of Parks and Recreation, Planning Division. May 2012. "California State Park System Statistical Report 2010/11 Fiscal Year." http://www.parks.ca.gov/?page_id=23308. Accessed March 18, 2013.

The Department of Parks and Recreation

The California Department of Parks and Recreation, located in the California Natural Resources Agency, manages the state parks system. The department's 2012-13 budget of $486 million, supplemented by $280 million in bond funding, allocates 3,803 full- and part-time employee positions to the task. Full-time department employees include

state park rangers, historians, archaeologists, educators, environmental scientists, maintenance staffers, planners and administrators. Supplementing these approximately 2,600 full-time employees are an estimated 1,200 temporary employees who work in state parks on a seasonal basis. They collect fees, staff visitor centers and lead tours, among other tasks.[15]

Approximately 1,000 full-time administrative employees work at the department's Sacramento headquarters in policy-making, planning, budgeting and human resources.[16] The balance of full-time employees work in the system's 20 park districts and five off-highway vehicle districts throughout California. Personnel costs represent 55 percent of the department's 2012-2013 budget.[17]

Department of Parks and Recreation Mission Statement

"To provide for the health, inspiration and education of the people of California by helping to preserve the state's extraordinary biological diversity, protecting its most valued natural, cultural and historical resources, and creating opportunities for high-quality outdoor recreation."

Source: California Department of Parks and Recreation. "About Us. Our Mission." http://www.parks.ca.gov/?page_id=91. Accessed June 14, 2012.

The most familiar employees to millions of park users are California state park rangers. The department has approximately 750 rangers to patrol and manage parks and provide other services.[18] The department reports that 17 percent of those positions are currently vacant.[19] Park rangers also are state peace officers, with powers to make arrests anywhere in the state. Recognizable by their uniforms and iconic Stetson hats, they also make up nearly all of the department's park superintendents, park district superintendents and much of senior management. Rangers, by tradition, are considered generalists, though law enforcement and administration take a considerable amount of their time. Rangers represent 34 percent of the department's labor costs.[20]

The department also employs about 650 maintenance workers who do the routine cleaning, painting and repairs in the park system.[21] State park staffers run the equivalent of small cities throughout California, maintaining water and sewer systems, providing public safety and teaching visitors about the state's natural resources and history.

The department's divisions include law enforcement, natural resources, archaeology, history and museums, interpretation and education, off-highway motor vehicles, facilities management and concessions. In addition, Governor Brown's 2012 Government Reorganization Plan that will go into effect July 1, 2013, will merge the Department of Boating and Waterways into the parks department.[22]

Major Partners of the Department

Five primary partners provide the department with outside input on planning and policy and raise money for the department's mission. The department also partners with more than 80 cooperating associations and friends groups to provide volunteers for interpretive and docent functions as well as fund-raising at the individual state park level. Leading partners include:

- ***California Park and Recreation Commission.*** Legislation in 1927 created the nine-member commission and provided it broad executive and administrative authority over state parks. The commission largely ran the state park system until the late 1950s, when legislation recast the commission as an advisory body.[23] The commission votes on general plans prepared by the department for individual parks, provides guidance to the department director and recommends comprehensive state recreation policy.[24] Legislation in 2012 added two state legislators to the commission.
- ***Off-Highway Motor Vehicle Recreation Commission.*** Legislation in 1982 created the nine-member commission to establish policies for the department's off-highway division and approve grants and division funding for capital improvements. Legislation in 2008 made the commission advisory.[25] The commission votes on general plans related to the state's eight state recreational vehicular areas, receives public comment about the department's Off-Highway Motor Vehicle Program and reviews plans for new or expanded recreation areas that apply for grants.[26]
- ***State Historical Resources Commission.*** Legislation in 1949 established the Historical Landmarks Advisory Committee, which in 1974 became the State Historical Resources Commission, to evaluate and designate historic buildings and sites. Its nine members review applications for listing historic or archaeological resources on the National Register for Historic Places, California Register of Historical Resources, and California Historical Landmarks and California Points of Historical Interest programs. The department's Office of Historic Preservation serves as staff to the commission.[27]
- ***Boating and Waterways Commission.*** Legislation in 1957 created the Small Craft Harbors Commission, a predecessor to the Harbors and Watercraft Commission, which in 1979 became the Boating and Waterways Commission within the Department of Boating and Waterways. In June 2013, the department will become a Division of Boating and Waterways within the Department of Parks and Recreation. The seven-member

commission will advise the division on boating regulations and issues and review boating facilities' loans proposed by the division.[28]

- ***California State Park Foundation.*** Former Department of Parks and Recreation Director William Penn Mott established the foundation in 1969 "to raise money for the purchase of land and other environmental and historical assets throughout the state."[29] The foundation has raised $209 million for state parks since its founding and has 130,000 members.[30]

Funding State Parks

California state parks are funded through a variety of sources, including taxes paid by Californians, camping and day use fees, bond borrowing and gasoline taxes. Three major funding streams for the department's $779 million estimated 2012-13 budget were:

- $110.6 million from the state's General Fund, primarily from state taxpayers.
- $148 million from the department's State Park and Recreation Fund, which includes fees paid by park users.
- $280 million from state bond borrowing approved by voters for environmental and conservation purposes and for capital projects.[31]

The department spends 41 percent of its state funding to maintain park facilities, including such routine maintenance as removing trash, cleaning bathrooms and making repairs to infrastructure. About 21 percent is for public safety and the remainder is allocated to resource protection, preserving wildlife habitat and providing recreation and interpretive and educational services to park visitors.[32]

Public parks in California have long been held out as a classic public good, supported by taxpayers and available to all. For much of the park system's history, the General Fund was a primary source of revenue. As recently as 1979, the General Fund provided 91 percent of state park funding. California state parks since have gradually transitioned from a tax-supported system to a fee-supported system. Several years of state budget shortfalls over the past two decades accelerated the trend with General Fund support falling to 22 percent in the 2012-13 state budget.[33]

The Origins of California State Parks

The California state park system owes its origins to public sentiment and political action during the late 19th and early 20th centuries to protect wilderness and pioneer history. California became a primary driver of this sentiment through writings of naturalists such as Scottish immigrant John Muir. Four years before Muir moved to California, the state became home to America's first state park. President Abraham Lincoln signed legislation in 1864 granting the state of California 20,000 acres of federal land in Yosemite Valley and the Mariposa Big Tree Grove. The declared purpose of the land grant was protection and retention of the scenic landscapes for "public use, resort and recreation." Under the legislation, Yosemite Valley and the big trees would be held "inalienable for all time."[34] Eight years later, in 1872, the federal government created its first national park in Yellowstone.

The close of the 19th century and start of the next produced a flurry of conservation activity and related legislation in Washington, D.C. President Theodore Roosevelt in 1905 signed legislation creating the U.S. Forest Service. The next year he signed the Antiquities Act, which allowed for creation of protected national monuments. In 1916, President Woodrow Wilson created the National Park Service to manage the country's growing number of national parks. State parks, too, were coming into being throughout America. In 1885, New York State protected Niagara Falls as a state reservation. By 1921, when the first National Conference on State Parks was held in Des Moines, Iowa, Connecticut had 22 state parks and North Dakota seven. Minnesota and Wisconsin each had six, while Ohio and Texas had five each. California at the time had yet to create a state park system.[35]

California's first experience with managing a state park at Yosemite ended in ignominy. Within a quarter century of its founding as a state park, many Californians and the Sierra Club, founded by Muir, had become increasingly alarmed at state management of Yosemite Valley and the Mariposa Big Tree Grove. The park had a single ranger, Galen Clark, who was known as a "guardian." The state's Yosemite Commission, which consisted largely of businessmen, had allowed Yosemite Valley to be plowed and turned into pasture and livestock corrals. The federal government expressed its dismay over acts of "spoilation and trespass" that included barbed wire, animal pastures and plowing and destruction of timber for fuel, fence posts and buildings. By 1890, a federal government that had blocked California's repeated efforts to expand its Yosemite grant, instead added nearly 1 million acres to a new "forest reserve" beyond Yosemite Valley and placed it under federal control. After years of growing sentiment that California should

surrender its 1864 grant, the California Legislature voted in 1905 to return the state park to federal control. The following year, President Roosevelt signed a bill declaring federal jurisdiction over Yosemite Valley and Mariposa Grove.[36]

If California's first experiment ended badly, the state's conservationist fervor rallied to protect stands of old growth redwoods threatened by overharvesting during the state's rapid expansion in the early 1900s. A similar enthusiasm grew to protect the state's historic sites. Groups such as the Native Sons of the Golden West and the Native Daughters of the Golden West worked to raise money and secure support from the Legislature to buy and protect such landmarks as the Donner Memorial and General Mariano Guadalupe Vallejo's Petaluma Adobe. Today's Department of Parks and Recreation can trace its beginnings to these efforts. With leadership of preservationist organizations such as the Sempervirens Club and Save The Redwoods League, a statewide coalition to create a California state park system produced a crescendo of legislation just before the Great Depression settled upon the state.

In 1927, California lawmakers established a five-member state park commission with executive authority over a new system. They also authorized a statewide survey of lands for potential inclusion in a park system, put a park bond measure on the ballot, and created the Department of Natural Resources and a new Division of Parks within it. In 1928, voters passed California's first state park bond, raising $6 million in public funds to match $6 million in private contributions to buy and develop state parks. The bond passed with 3-to-1 support among voters statewide and carried every county in California.[37] During the next eight decades, and often by substantial margins, Californians would approve nine more park bonds totaling nearly $2 billion.[38]

The 1928 Olmstead Survey

Looking back, Californians identified and assembled a state park system with remarkable scope and speed. The process began with a singular monumental undertaking: the 1928 state parks survey conducted by famed landscape architect Frederick Law Olmstead Jr., son of the New York City Central Park co-designer.

Olmstead Jr. was a Harvard professor of landscape

Ballot Arguments for Passing California State Park Bonds

May 1, 1928
"What is the use of spending millions on our splendid highway system if the roads lead us to the blackened stumps of what were once mighty forests, and along a shore-line fenced off from the public with signs: 'Private Property – Keep Out?'"

November 3, 1964
"Land suitable for parks and campgrounds is being subdivided and occupied, while existing park and campground facilities turn away millions for lack of room."

June 4, 1974
"… Costs are orbiting! Desirable park lands are expensive today, but they may be impossible to afford if we wait."

Source: UC California Hastings College of the Law. UC Hastings Law Library "California Ballot Propositions." http://library.uchastings.edu/research/online-research/ballots.php. Accessed May 2, 2012.

architecture, a founder of the National Park Service and advisor on the management of the new Yosemite National Park. He had gained renown in California as the designer of Palos Verdes Estates. In 1927, California's new state park commission hired Olmstead to guide the state's widely-anticipated purchases of parkland and beach properties. Olmstead's 83-page report, for which the state paid $15,000, recommended 125 priority properties representing the state's major geographical zones – ocean beaches, big trees and redwood forests, lakeshores, waterfalls, mountains and deserts. Among those priorities were sites of historic, archaeological and scientific significance, many related to the Spanish colonial period.

For a state that boasted 1.8 million automobiles in 1928 and rapidly-rising interest in travel, Olmstead had focused on locations that would provide maximum recreational value both for people making short automobile pleasure trips and those staying longer. Specifically, he singled out Point Lobos in Monterey County as "the most outstanding example in the coast of California of picturesque rock and scenery in combination with unique vegetation, including typical Monterey Cypresses." Today, the Point Lobos State Natural Reserve is often called "the crown jewel of the state park system."

Olmstead eliminated 171 marginal properties proposed for state parks for reasons of being too local, lacking in statewide significance or possessing inadequate aesthetic qualities. In his survey, Olmstead wrote that he had weighed every kind of proposal, from "offers to sell land which the owners or agents think there might be a chance of unloading on the state to well-considered projects of the utmost importance, put forward in a public-spirited way and with an excellent understanding of the needs of a state park system."[39]

For much of the next 50 years in California, the Olmstead survey guided state park purchase and development decisions as state government allocated public bond proceeds, tidelands oil royalties and General Fund revenues. The state tapped the federal government's Depression-era Civilian Conservation Corps (CCC) to build much of the fledgling park system's infrastructure. Historians of the period wrote that "almost all of the development work in California state parks before the outbreak of World War II can be attributed directly to the CCC program." Nearly 4,000 young men in 19 camps built campgrounds, trails, visitor and picnic facilities, and in a singular project, restored the La Purisima Mission in Santa Barbara County. "It is interesting to note that in 1934, when the entire operating budget of the California Division of Parks was just $279,046, the CCC was investing about $2 million per year in state park development work," one history of the era recounts.[40]

Philanthropy played a significant role in building the new state park system. In 1929, industrialist John D. Rockefeller Jr. donated $2 million to purchase old growth redwoods that became part of Humboldt Redwoods State Park. Today, visitors to the park see a commemoration of the gift in a stretch of redwood forest named Rockefeller Grove.

The Park System Grows to 1.5 Million Acres

By 1930, Californians had cobbled together the first 80,000 acres of a fledgling state park system, taking advantage of falling land prices as the economy slid. With just 5 million residents, California had yet to emerge as an industrial and manufacturing power. World War II quickly supercharged the state's economy and its aftermath fueled a population explosion, with the U.S. Census counting 10.5 million Californians in 1950 and 15.7 million in 1960. As the middle class swelled and the automobile brought unprecedented mobility, California state park holdings soared to 581,000 acres in 1950 and 691,000 acres in 1960. By 1980, the system passed the 1 million-acre mark and kept growing. In 2010, the state park acreage crested at 1.5 million acres.[41]

California's journey from enabling legislation in 1927 to a 1.5 million-acre state park system stands out as a monumental government achievement. Californians played significant roles in the promotion and rapid expansion of parks at the national level as well, as Stephen Mather and Horace Albright steered the U.S. National Park Service through its formative years of 1916 to 1933. Later, Californians Newton Drury and William Penn Mott steered the federal agency during the Roosevelt, Truman and Reagan administrations. Drury and Mott also presided over an expanding California state park system during the 1950s, 1960s and 1970s as directors of the Department of Parks and Recreation.

Despite the system's growth, a department historian would write that the "state park system could not keep up with public demand for still more and better park and recreation opportunities. Most parks and beaches were overcrowded during prime vacation periods. Waiting lines were common at many park entrance stations and uncounted numbers of people had to be turned away."[42]

In the 1950s, the state sharpened its focus on buying and preserving more historic sites. This policy shift followed a similar course change by the National Park Service, which a decade earlier had begun acquiring and preserving prominent national historic sites and battlefields. A quick succession of purchases followed, giving state parks the dominant role in California for preservation of the state's historical and cultural monuments.

The frenetic pace of population growth and tandem growth of park acreage continued in the decades that followed. Along with new coastal properties, historic mansions and underwater reserves, the department also added shorelines of the new State Water Project to its portfolio. During the 1970s, the department built new boat ramps, campgrounds, picnic areas and parking lots at 17 major water storage reservoirs. New bond measures and rising state revenues generated by a vigorous and growing economy handily financed it all. Yet these successes, fueled by California's economic growth, were sowing seeds of problems soon to appear.

Building Blocks of the State Park System

Ten voter-approved statewide bond issues provided $1.93 billion across 78 years to build the backbone of California's state park system. Prominent Californians including Walt Disney and Ansel Adams authored ballot arguments supporting state parks.

1928: SCA33 – the $6 million State Park Bond Act – authorized the state to match private donations and buy $12 million worth of property for state parks. The measure received a majority vote in every county.

1964: Proposition 1 – the $150 million State Beach, Park, Recreational and Historical Facilities Bond Act of 1964 – allocated $105 million to buy and develop property for state parks and manage their wildlife.

1970: Proposition 20 – the $60 million Recreation and Fish and Wildlife Enhancement Bond Act – authorized $54 million for the Department of Parks and Recreation to build onshore recreation facilities on State Water Projects.

1974: Proposition 1 – the $250 million State Beach, Park, Recreational, and Historical Facilities Act of 1974 – allocated $150 million to buy and develop properties for state parks. The bond, the first by voters to finance historic parks and sites, provided $15 million to develop historical properties within the state park system.

1976: Proposition 2 – the $280 million Nejedly-Hart State, Urban, and Coastal Bond Act of 1976 – authorized $159 million for state parks, reservoir recreation and coastal facilities.

1980: Proposition 1 – the $285 million Parklands and Acquisition Development Program – authorized $130 million to buy and develop new state park property and upgrade older properties.

1988: Proposition 70 – the $776 million Wildlife, Coastal, and Park Land Conservation Bond Act – provided $154 million to expand existing state parks and buy and improve property for new state parks and beaches.

2000: Proposition 12 – the $2.1 billion Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 – allocated $544.7 million for state park purchases and development.

2002: Proposition 40 – the $2.6 billion California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 – authorized $225 million for state park acquisition and development.

2006: Proposition 84 – the $5.4 billion Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds. Initiative Statute. – authorized $400 million for land acquisition for new state parks and development and restoration of existing parks.

Sources: UC California Hastings College of the Law. UC Hastings Law Library "California Ballot Propositions." http://library.uchastings.edu/research/online-research/ballots.php. Accessed May 2, 2012. Also, California Department of Parks and Recreation, Office of Historic Preservation. Nadine Ishitani Hata. 1992. "The Historic Preservation Movement in California 1940-1976." On file.

State Parks Hit Headwinds

The first hard shock took place amid the military base closings and economic adjustments of the early 1990s, when California plunged into a severe recession and state revenues fell sharply. Californians suddenly heard a new and alarming storyline about state parks, as the media reported $33 million in proposed budget cuts and critics said it would "destroy the system." A state government in financial crisis began to consider reduced hours and service cuts at parks, 30 park closures and reorganization of the Department of Parks and Recreation.[43]

Ideas and debates swirled about transferring management and ownership of state parks to local agencies, privatizing aspects of park operations, adding higher-priced amenities such as cabins and resorts to generate revenue and cutting costs through joint management of parks with the National Park Service and other operators.[44] In 1995, the state acted on one of the ideas, transferring ownership of six state beaches to Los Angeles County and selling parts of two more local state beaches to the county.

Few of the other ideas were acted upon, however, as the Department of Parks and Recreation responded to the funding crisis with an internal reorganization effort that cut costs by $10 million annually. Recommendations made by a "Phoenix Committee" of department staffers eliminated a layer of middle management by closing five regional offices and trimming the number of park districts from 55 to 23.[45] The department, under Director Donald W. Murphy, then turned toward modernizing its management systems, driving decision-making authority down the management chain to local park employees and focusing on customer service.

The department's crisis-born efforts to improve quality and performance management generated favorable attention and awards. In 1997, the department won "Best in Class" in the government category for the Malcolm Baldrige California Quality Award competition. Three years later it won an Arthur Anderson "Best Practices Award," becoming the first government agency to win the award.[46]

Across California and throughout the state park system as the 1990s ended, the problems of just a few years earlier seemed far away. In a renewed boost of optimism, California voters approved three new bond issues in the early years of the 21st century to authorize $1.1 billion for state park acquisition and maintenance.[47] Such optimism soon would be challenged by even more severe financial and state budget problems.

More Budget Cuts and Proposition 21

Since 2008, the Department of Parks and Recreation repeatedly has faced the prospect of closing state parks due to California's chronic budget shortfalls. In January 2008, Governor Schwarzenegger proposed closing 48 parks to help close the state's budget gap. The Legislature rejected the idea. In June 2009, Governor Arnold Schwarzenegger proposed closing 220 state parks. He backed off the proposal after reportedly receiving 135,000 letters, telephone calls and emails opposing the closures.[48]

The continued threat of closures prompted a coalition led by the California State Parks Foundation to put a voter initiative on the November 2010 ballot to address both the park system challenges and raise money for the state's conservation and habitat preservation missions. Proposition 21, the State Parks and Wildlife Conservation Trust Fund Act, called for an $18 annual vehicle registration fee that the Legislative Analyst's Office said would produce an estimated $500 million a year, "that after offsetting some existing funding sources, would have provided at least $250 million more annually for state parks and wildlife conservation." About 85 percent of the new revenue would be directed to park development, operations and maintenance. Seven percent would have been allocated to the Department of Fish and Wildlife for management and operations of wildlife refuges and other preserves. The remaining share would have been steered to ocean protection, other state conservancies and to the Wildlife Conservation Board. In return for paying the license fee, park visitors with California plates would get free admission to state parks. The revenues would have removed the need for a General Fund contribution to state parks.[49]

Voters, going to the polls after 10 consecutive months in which statewide unemployment exceeded 12 percent, rejected the proposition.[50] Subsequent surveys and interviews by the initiative's backers suggested that voters felt financially pressed, were leery of any new fees or taxes, and lacked confidence in assurances that fees for parks could be successfully sequestered from the broader budget. Critics called it ballot-box budgeting that would further tie the hands of the Legislature as it grappled with ways to reduce state spending.

Governor Brown, taking office shortly after the measure's defeat, reduced the department's General Fund allocation by $11 million, and called for a further $11 million reduction for Fiscal Year 2012-13. In response, the department listed 70 parks it said it could no longer keep open under the existing operating structure and asked for proposals that could help keep parks open under different arrangements.

The closure list, issued in May 2011, generated dismay from park visitors and communities dependent on tourism. It also sparked political controversy, as more of the targeted parks were located in Northern California, specifically in the districts of two park-friendly legislators, then-Assemblymember Jared Huffman, whose district includes parts of Marin and Sonoma counties, and Senator Noreen Evans, whose district stretches from Sonoma County north to Humboldt County. The department said it was trying to keep more parks open in areas near major population centers. This put the less-populated north coast at a disadvantage, especially given its proportionately greater number of state parks. (Nearly two years later a 2013 state audit stated that the department lacked detailed written analyses of how it chose the 70 parks for closure and may not be able to justify its decisions to the public as reasonable).

To speed the adoption of threatened parks, the Legislature passed AB 42 (Huffman), permitting the department to allow up to 20 parks to be fully operated by a non-profit organization. The law allows the department to enter into an unlimited number of contracts with non-profits for less-than-full operation arrangements. Though the California State Parks Foundation sponsored the legislation, it and other foundations such as Save the Redwoods League are not interested in operating a park or using foundation money to subsidize operations. They have, however, raised money for restoration of deteriorated facilities and degraded habitat. AB 42 has opened opportunities not previously available, setting in motion a series of experiments of what kinds of alternative operating arrangements might work, in what conditions, and for how long.

New Operating Arrangements Rescue Parks

The Department of Parks and Recreation has invested considerable efforts in finding new partners, exploring new funding sources and considering arrangements to become more entrepreneurial. The result in 2012 was a citizen, community and government rescue of nearly all 70 state parks proposed for closure.

The temporary rescue agreements for up to three years took a variety of forms. The National Park Service stepped in to share resources that will keep two Marin County parks and Del Norte Redwoods open, devoting added revenue from an increase in parking fees at Golden Gate National Recreation Area sites to their support. In each case, the parks were either encircled or adjacent to a national park or recreation area. A group of Silicon Valley benefactors raised money to keep open Henry Coe State Park, at 86,000 acres, the largest state park in Northern California. The City of Whittier allocated $30,000 to keep Pio Pico State Historic

Park from closing. Regional park districts in Sonoma and Napa counties took over management of several state parks. In Colusa County, the City of Colusa agreed to manage the local state recreation area.

Local groups with names like Team Standish in Mendocino County and Valley of the Moon History Association and Team Sugarloaf in Sonoma County took over operations at several more state parks. The California State Parks Foundation, Save the Redwoods League and Sempervirens Fund channeled hundreds of thousands of dollars raised from foundations and other philanthropists to parks and to assist local associations with their efforts.

In Mono County, the department took the Mono Lake Tufa State Natural Preserve off the closure list after a group of environmentalists and preserve supporters, including the Bodie Foundation, and the Mono Lake Committee, discovered a simple, innovative way to keep it open. The solution was in the parking lot of an old marina popular with preserve visitors. Under its agreement with the state, the Bodie Foundation will run a parking concession expected to generate $111,000 a year by charging $3 per vehicle, enough to keep the preserve open. The foundation had an existing relationship with the department through operating contracts for the museum and bookstore at Bodie State Historic Park.

The department also revived a 1990s experiment in private management of parks, entering into what are believed the first contracts nationally for private companies to manage state parks. While the department has many concession contracts throughout the state park system, the new 2012 contracts with concessionaires are the first to operate entire parks. Utah-based American Land & Leisure received a five-year contract to manage Brannan Island, Turlock Lake and Woodson Bridge state recreation areas in, respectively, Sacramento, Stanislaus and Tehama counties. California-based Parks Management Company received a similar five-year contract to operate Limekiln State Park in Monterey County. Under the contracts, the companies pay a portion of their earnings from running the parks to the department, which spends the revenue for maintenance and repairs to those parks.

Disclosures Undermine Trust with Stakeholders

The groundswell of support for state parks stirred civic spirit and a sense of accomplishment for being able to prevent park closures. During 2012, media stories touted weekly announcements about successful partnerships and broad hopes for new activities to energize the state park system.

Events within the Department of Parks and Recreation tested that enthusiasm, however. In July 2012, a series of newspaper reports disclosed an unauthorized $271,000 buyback of vacation time by 56 department employees. Media reports then disclosed existence of $54 million in unused retained revenues during the time the department proposed closing 70 parks.

The reports prompted resignations and departures of the department's top managers amid dismay and disappointment in the department and the state. Some donors requested their money back. The department's actions damaged the department's credibility and breached the trust of stakeholders as the department struggled to right itself.

New Legislation Prevents Park Closures

In the wake of the disclosures and resignations, Governor Brown signed two pieces of legislation to guide the department going forward. AB 1478 (Blumenfield) prohibited the state from closing parks during the 2012-13 and 2013-14 fiscal years. The bill also allocated $10 million of the unused retained revenues to match donor commitments to specific parks and $10 million to other parks at risk of closure. On December 19, 2012, the department announced its first match as a result of the legislation, $279,000 to Henry W. Coe State Park in Santa Clara County, to fund a year's worth of operations.[51] It has since announced the signing of 10 agreements. The California State Parks Foundation hailed AB 1478 as a "first important step toward restoring public confidence in California state parks." The legislation strengthened the nine-member State Park and Recreation Commission by specifying new park-related expertise requirements for appointees and adding two state lawmakers. It also provided the commission $240,000 for a two-year public process to evaluate and assess deferred maintenance and monitor department budgets for operations and capital improvements.

A second bill signed by the Governor, AB 1589 (Huffman) called for a master plan to identify funding and maintenance strategies for the state park system. It also called for a multi-disciplinary advisory council to independently assess the system and make recommendations to the Governor and Legislature "on future management, planning and funding proposals that will ensure the long-term sustainability of the state park system." AB 1589 required the department to develop a comprehensive action plan to boost revenues and collection of user fees throughout the park system, as well.

Both bills added to legislative direction provided in SB 1018, which established a pair of designated funds within the department to finance

new revenue-generating activities. AB 1478, in particular, outlined formulas to encourage entrepreneurial approaches in individual park districts, setting revenue targets and letting districts that exceed targets keep 50 percent of revenue they generate. Districts could use the money for improving parks and activities that generate still more revenue. Cumulatively, the 2012 legislation aims to make the department more business minded and entrepreneurial. The 2012 legislation provides direction and new funding streams to prod the department toward this necessary transition.

A New Director for State Parks

On November 13, 2012, Governor Brown announced the appointment of retired U.S. Marine Corps Major General Anthony Jackson to serve as director of the department. Jackson previously served as Commanding General, Marine Corps, Installations West. Based at Southern California's Camp Pendleton, the general commanded Marine Corps installations throughout the Southwestern United States. The command included 60,000 Marines and sailors, 13,000 employees and oversight of administration, fiscal, military, construction and energy programs. In making the announcement, Governor Brown said: "I am confident that the stewardship of California's beaches, forests, estuaries, dunes and wetlands is in good hands and that the confidence and trust of Californians in our Parks Department will be restored."

New Model Needed

California's state park system represents a relatively young experiment in setting aside and protecting natural and historical resources for the public good. California pioneered the idea of preservation 90 years ago under one set of conditions, which now have significantly changed. Now the state faces the challenges of positioning its park system to serve California for the next 50 years, and generations beyond.

In its study, the Commission has identified problems that the department must confront and address. Among them are:

- 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.

Some of the challenges are conditions that the Department of Parks and Recreation cannot control, but to which it must adapt. Overcoming others will require strong leadership and the support of the Governor and the Legislature.

Falling General Fund Support

Declining taxpayer support has turned California's state parks into another example of once-highly regarded public facilities in decline. Over the past three decades, the department has experienced a dynamic seen nationally: The reduction of broad-based tax support consistent with a public good in favor of greater reliance on user fees. In the late 1970s, the General Fund covered 91 percent of expenses for the department to

operate state parks. In the 2012-13 fiscal year, the General Fund pays 22 percent of costs to run the system. State parks simply can't compete politically in the budget process against more urgent funding needs, such as health care for the poor, education and public safety.

Elected state officials for many years have conducted a sustained feat of willed optimism in making repeated General Fund cuts to parks funding while maintaining that the cuts would have few consequences. The result has been a destructive spiral of neglect, reduced service, deferred maintenance and noticeable deterioration, despite the state's stewardship responsibility.

After years of falling revenues and budget deficits, the General Fund has become a hard place to find money for programs of any kind, let alone a department that offers recreation and cultural and historic preservation. Investments to protect the department's future, though essential to the state's heritage and identity, largely aren't being made.

"The finest park system of its kind in the world is falling apart, quickly losing its constituency, and failing to meet increased user demand.'"

"Recommendations to the California Department of Parks & Recreation from the 1992 Blue Ribbon Citizen's Advisory Committee."

Parks are falling apart, with deferred infrastructure and facilities maintenance topping $1 billion, according to the department. Older sewer and water systems are failing, creating potential health hazards. State parks are barely modernized for the way people pay for services; few accept debit cards and many require correct change to be placed in paper envelopes and deposited in iron posts. Nor do many parks offer attractions many people have come to expect in a recreation venue, such as zip lines, interactive touch screen museum displays, quick response codes for smart phone readers or overnight alternatives to tent camping.

Years of staffing cuts have made it hard for visitors at times to find timely help or answers to questions – whether from park rangers or other state employees. Visitors need to feel safe in their state parks and find them welcoming, friendly and easy to use. But the department's constant funding crisis consumes much of its energy and morale needed to serve these needs. There is little opportunity to conduct the processes that are hallmarks of successful organizations: planning, investing, innovating, testing new strategies for the next 50 years.

Some states are making the case that state parks can be self-sufficient without taxpayer funding or a General Fund share of operations. The Washington Legislature ordered its state parks to live off self-generated revenue starting in mid-2013. The Washington State Park and Recreation Commission rejected the request, saying it can't be done and serve the mission of access and stewardship.

California has not gone to this extreme, but the last round of budget cutting and subsequent threat of park closures signals that it has

reached the limit of how far its General Fund support can be reduced without a fundamental rethinking of what the department offers and how it operates today and in the future.

Fee Revenue Unpredictable

As General Fund allocations have declined, the department has increasingly turned to generating its own revenue. Accompanying the shift has been constant uncertainty and guessing at future demand, which complicates budgeting and planning. The Department of Parks and Recreation operates much like a business, wooing customers who pay entrance and parking fees and dig into pockets for quarters for campground showers. Customer numbers thin when it rains or storms or the weather is too hot for camping or cold for swimming. Boaters stay home when droughts reduce water levels at state park reservoirs. The smoke and heat of uncontrolled wildfires in or near parks prompt potential visitors to go elsewhere. Such variables can cause the department's revenue to drop by as much as $2 million in a single summer month.[52]

Rising fees have offset General Fund losses in recent years, but only to a point. In some cases, higher fees have driven down attendance, which runs counter to the department mission of broad access to its facilities. Day use fees in state parks tripled from $5 to $15 between 2002 and 2012, a period that saw annual visitor attendance at state parks fall as much as 22 million from 2001 highs. Camping fees more than doubled to $35 in the same period. An annual pass that cost $35 in 2002 now costs $195. Meanwhile, the department's attempts to impose new fees have triggered local political opposition and even threats of sabotage. In January 2013, the Sonoma County Board of Zoning Adjustments unanimously rejected the department's application to install 15 metal self-pay machines to collect $8 parking fees on state beaches. Department representatives said they will appeal the decision.[53] Residents have threatened to destroy self-pay machines, if installed.

The department generates approximately $70 million to $80 million a year from state park visitors for its State Park and Recreation Fund. State accounting rules, however, allow little short-term flexibility in using the money since the money must be annually appropriated by the Legislature. The restriction makes it difficult for the department to create rainy-day reserve funds or use one-time operating surpluses to invest in capital projects or equipment that could increase future revenues or lower costs – such as electronic payment kiosks to replace the practice of inserting exact change and cash into hollow metal posts known as "iron rangers." It also prevents park staff from innovating on

the fly, for instance offering a special program to take advantage of a longer snow season or an extended swim season.

Moving to Revenue-Based Model, Without Proper Tools

Few businesses would envy a department expected to operate like a commercial enterprise while being hobbled by the financial practices that come with being part of state government. The department faces this conflict daily in running the state park system. The Legislature and administration have steered the department toward a revenue-based model without providing tools to make the transition or to sustain itself. Department and park managers lack modern accounting and business planning systems, as well as software to track costs and revenue. The department's budgeting and accounting system is antiquated and doesn't allow a unit-level view of costs to run individual parks. Its financial systems are not transparent, which complicates planning – and budgeting – for enterprise opportunities as they arise. Though the state has committed to improving its accounting, procurement and budget process with Fi$Cal (Financial Information System for California), the promised fix is overdue and may be years away. To make good on the action plan requested by the Legislature, the department needs enterprise business accounting and budgeting tools now.

The department's budget process lacks personnel and procurement flexibility that would enable managers and executives to move the department to a more enterprise-driven system, invest strategically in improvements and think ahead. Park managers, who come from the ranks of peace officer park rangers, generally lack sophisticated financial or business planning skills or even training in those arenas. The department has too few people who understand complex financial practices, profit-and-loss statements or how to assess potential enterprise opportunities. Former department director Rusty Areias told the California Attorney General's Office during its 2012 investigation into financial irregularities at the department that the department was ill-equipped to spend $156 million in bond funds during his tenure in the early 2000s: "Our focus was how do we manage this excess of abundance, how do we manage these funds because you had – you had a generation of superintendents who had never managed a capital outlay project."[54] Then-director Areias hired a trainer to teach the superintendents about budgeting and conducting competitive bidding.

As stated previously, fees generated by the department are collected in a designated State Park and Recreation Fund, but cannot be managed as a business enterprise would invest, spend or save them. They must be appropriated by the Legislature in the following budget year, creating chronic budgeting uncertainty for the department. Several former managers in the department described this uncertainty in interviews with the Attorney General's office during its 2012 investigation. Among those explaining how the budgeting system works was Ted Jackson, a former deputy director of park operations, who said: "So in any given year, if we make 100 million dollars, let's say, in revenues, concessions, and tickets and so forth, but the legislature says you … you only have spending authority for 75 million, then …. regardless of how much money we make in any given year, when they build our budget, they tell us this is how much money you're going to be able to spend out of your fee revenue money."[55] The complexity of the budgeting process described in these interviews underscores the difficulties of operating a revenue-model under such restrictions.

Until recent reforms, entrepreneurial state park district managers who generated extra revenue watched the money leave their districts for statewide use by the department, rather than having the ability to invest in promotion, marketing or events and programs that could bring in still more money during the same budget year. This restriction diminishes incentive to think creatively about revenue generation, department leaders said. Legislation in 2012 partly opened the way for districts to keep some of the money generated locally. When asked, park managers are quick to come up with revenue-generating ideas. Overall, however, the department has

California State Auditor: Closure Plans May Have Been Premature

In February 2013, the Bureau of State Audits released findings of its audit of the Department of Parks and Recreation, stating that plans to close 70 state parks in 2011 may have been premature. The audit stated that the department lacked documentation to justify the 70 parks selected for closure. State Auditor Elaine M. Howle also spotlighted the department's inability to track costs at the individual park level, telling the Joint Legislative Audit Committee on February 19, 2013, that the problem hindered many of the outside groups trying to rescue parks from closure. "It's hard to tell a lot of non-profits or cooperating associations how much they need to run a park. It was hard for us to do an analysis of partnerships because we lack that vital information," she said. Highlights of the state audit:

- For years the department has continually reported different fund balance amounts – usually lesser amounts – to the Department of Finance (Finance) than it reported to the State Controller's Office for both the State Parks and Recreation Fund and the Off-Highway Vehicle Trust Fund.
- Finance notified the department of those differences as early as April 1999, yet the issue was not resolved until the fall of 2012.
- Although various budget officers – including the current one – raised concerns about the differences in reporting, the budget office continued to report the different amounts.
- The former deputy director of administration and the former acting chief deputy director directed the current budget officer to continue reporting the information as in the past out of fear of a budget reduction.
- In 2011, Finance significantly reduced the transfer amounts the department reported to the off-highway vehicle fund. This contributed to a $33.5 million understatement of the fund balance, leading the public to believe that the department was hiding these funds.
- The department lacks written analyses regarding how it selected 70 specific parks for closure and, thus, may not be able to justify the reasonableness of the selections to the public.
- The department does not budget or track expenditures at the park level and used outdated information to develop estimated operating costs for its parks.

Source: Bureau of State Audits. February 14, 2013. "Department of Parks and Recreation." http://www.bsa.ca.gov/pdfs/reports/2012-121.1.pdf. Accessed February 15, 2013.

lacked an enterprise mindset for the type of customer service functions in which it engages and receives little training and few tools to establish one.

The department and its important stakeholders are well aware of these deficiencies. In conjunction with the California State Parks Foundation, the department is working with Pros Consulting and CHM Government Services on a financial planning and cost efficiency study to categorize recurring costs in individual parks, the first time it has been done. The project is examining opportunities – on a pilot basis – to turn financial information into a modern revenue enhancement strategy in the department's San Diego, Central Valley and Monterey districts. But these are small steps only in early stages.

What Size is Appropriate?

The 2011 decision to close 70 state parks was an explicit acknowledgement that the department could not sustain the current size of its park system. In a state long accustomed to growth and expansion, few things are more stunning than the collision of expectations with limits. The proposed closures alarmed parks supporters and angered local communities. The actions also raised two sets of questions that go to the heart of the challenges the department faces:

- 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?

California in recent years finally stopped adding to its 1.5 million-acre collection of public landscapes and historic sites. That restraint marks the exception during the park system's nearly 90-year history. Directors have traditionally been builders, accumulating thousands of acres of new parkland during their tenures. Voters have proved themselves abundantly generous since 1928, passing 10 bond measures to raise nearly $2 billion to build and improve state parks. A booming late 1990s economy put voters in an especially accommodative mood, as they endorsed nearly $1.2 billion for state park acquisition and development with Propositions 12, 40 and 84 in 2000, 2002 and 2006. Years of free-flowing bond revenue, ample tidelands oil royalties (a previous source of funding for state parks which expired) and General Fund growth made it all look easy. The department's traditional ethos – and that of its conservation-minded stakeholders – has centered on accumulation and expansion to meet pressures of a rising population. That mindset has reached the end of its long, productive cycle.

The department is forced now to grapple with consequences of its acquisition strategy and habits built on plentiful bond money. In addition to taking on substantial debt to expand and develop the park system, the department now also is responsible for added maintenance and operations costs. The growth curve for the department is no longer in acreage, but in deferred maintenance.

Department representatives who testified before the Commission defended decades of park acquisitions as reflecting the system's founding philosophy of conservation and historic preservation, as well as the need to provide for a growing state population. The department may have conducted a rigorous process when deciding to add new properties, but to date it has not conducted one to *reassess* the system's overall holdings of 280 parks. No formal process exists to determine which state parks fit with the system's mission or are truly of statewide significance and must be retained. The department has neither formally nor publicly considered whether some parks lack statewide significance or primarily serve a local or regional population.

Former department Director Donald Murphy told Commission staff that approximately 150 parks can be considered the "core" of the state system according to guidelines established by the 1928 Olmstead survey that guided early land acquisition. Mr. Murphy said the remaining parks – nearly 130 – might better be realigned to other entities or kept and managed by other partners.[56]

The state's collection of cultural and historic artifacts likewise has not been scrutinized or assessed to determine which items are essential to telling the story of California. In testimony, Blaine Lamb, former chief of the department's Archaeology, History and Museums Division, told the Commission that "the department had accepted too many artifacts that had no relevance to the state park system or its mission, and that it had neither the staff nor the space to care for such an expanding accumulation." Only half of the system's collection of 1 million artifacts is on display in state parks and museums, an estimate, Mr. Lamb said, as the department lacks a complete inventory of its possessions. Predominant among the collection is a large number of wagon wheels, as well as a major collection of Native American baskets held in trust for the tribes of California, Mr. Lamb said. For years, the department has stored its collection in a West Sacramento warehouse complex, which is located in a floodplain and lacks proper environmental controls to ensure proper temperature and humidity. Mr. Lamb told the Commission that the department has begun to winnow its collection by giving some objects to local historical societies and museums.

The foundation for better cataloging and care of the department's collection will come with a cataloging operation and move, now under way, to a 265,282 square-foot environmentally controlled Consolidated Operations and Museum Collection Center at McClellan Park in Sacramento.[57] Equally important for display of the department's large collection of Native American materials is the planned construction of the California Indian Heritage Center museum and cultural heritage complex on 43 acres in West Sacramento. The State Park and Recreation Commission approved a general plan and environmental impact report for the project on July 8, 2011.[58] The first phase of the project, financed by a mixture of bond and private funds, is tentatively scheduled to open in 2018.[59]

Still, many valuable articles are located at historical sites and museums where they are vulnerable to theft, or deterioration due to lack of proper care. In September 2012, masked thieves armed with pickaxes broke into the department's California State Mining and Minerals Museum in Mariposa and stole an estimated $2 million in rare gems and gold nuggets. The museum, which houses more than 13,000 artifacts, was on the list of facilities to be closed.

The lack of publicly vetted criteria or formal process for ranking individual park units within the state's collection generated questions and controversy when the department in 2011 suddenly announced it would close 70 parks. The department decided which parks would close with criteria it had set up on its own. The department then made closure announcements without disclosing how it had scored parks against the criteria it used, without consulting local communities that would be affected and without notifying legislators whose districts would be most affected. Local officials and business owners felt blindsided, as did the Legislature. Almost immediately, the department then had to work hand-in-hand with many of those same local communities to help keep the parks open.

Department Culture Influences Decisions

If the closure discussions angered stakeholders, what followed added to their annoyance. Volunteer groups and concessionaires said that the discussions and negotiations surrounding efforts to keep the parks open were characterized by a lack of communication, consistency and cooperation, which they said typified the department's insular culture. Insiders as well describe the culture as one built around the mission of preservation and protection of resources, a culture that finds it difficult to adjust to new situations and work with outside players. Though this culture predominates, the department has allowed, or has failed to

prevent, successful experimentation on a limited basis, usually prompted by budget problems. In the past crises, the department has transferred management of state parks to other government agencies, jointly-managing its redwood parks with the federal government and winning national awards as it pioneered in performance-based budgeting. But much of this experimentation occurred during the 1990s and has done little to influence the overall direction of the department.

The department's partners today are more critical of the department, a situation not helped by first, the lack of warning or consultation regarding specific park closures, then, after scrambling to raise money and save parks, learning that the department had millions of dollars squirreled away. Throughout the Commission's study process, stakeholders who interact in some way with the department described its approaches and practices with words such as "inflexible," "authoritarian" and "difficult."

Within the ranks at the department there is apparent reluctance to embrace the change being forced upon it due to belief that better times will bring back traditional revenue – and that the department's operations somehow can go forward in the highly-centralized fashion they have for decades.

Few outside the department believe this will be the case. Following the recent proposed park closures and their subsequent rescues, the department has become increasingly dependent on outsiders to run its parks and must work with a varied cast of non-traditional partners. It is a difficult transition. Many in the department distrust these new experimental operating models and express the desire to keep control of state parks. There are fears in the department that bringing in private concessionaires and untested non-profit groups might undermine its mission of protecting parks from commercialization and other threats.

Outsiders, however, are dismayed over the department's funding problems and want a greater say in how parks are operated. Concessionaires express frustration at the time it takes to get a contract approved – partly a parks department issue, partly the contract review process that affects all departments. As these groups become increasingly important, they want a greater say in decision-making and in management of California's state parks and they chafe at state rules that they believe reduce efficiency, discourage innovation, and hobble the marketing and cooperative agreements that are the hallmarks of a new operating model for park management.

Commission interviews with these new players, and with former and current department staffers, other government park managers and open

space management consultants frequently led to observations that the department is quick to say "no" and seemingly unable to formally approve even the smallest deviation from custom. Robert Doyle, general manager of the East Bay Regional Park District, which runs four state parks on behalf of the department, told Commission staff in an interview, "We can't spend *our* money in a (state) park that we manage without a huge, difficult approval process. If they don't like one little part of it, it stops. The state bureaucracy has become, in our opinion, more restrictive in modern times rather than less."

Other managers running state parks on the department's behalf complained at a Commission advisory committee meeting that the department rigidly enforces the same rules on them that it applies to itself. The bureaucratic inflexibility, they complained, creates conditions that defy common sense. Partners that run state parks, for example, are not allowed to permit grazing as they do in their own parks that could reduce fire danger that threatens nearby urban areas and safety of their fire crews. Park operators who took over state parks on the closure list said they are not allowed to clear fallen trees that threaten hikers, yet they remain legally liable for the risk.[60]

The department's sometimes heavy-handed approach with partners who stepped up to rescue 70 parks carries potential to discourage partners and the creative ideas so necessary for the park system to survive. The president and chief executive officer of Sonoma County's Fort Ross Conservancy told the Commission how the conservancy could not get the department to move on its request to take over a small nearby state park campground that had been closed. The conservancy wanted to fix it up and install primitive cabins to raise money to help preserve Fort Ross. Conservancy official Sarah Sweedler cited frustrations with delays, inaction and an interminable time frame, telling the Commission the department seemed overwhelmed by other priorities and couldn't make the necessary decisions that would have proved mutually beneficial to the state, the conservancy and Fort Ross. Ms. Sweedler placed partial blame on what many consider a significant weakness in the department's park management outlook, telling the Commission, "My district superintendent is a police officer." A more entrepreneurial-minded superintendent might have made a different decision, she said.

Among state park stakeholders it is common to ascribe the department's perspective and practices to a law enforcement culture. They describe a culture that has gained control of the department and is reinforced by personnel regulations and practices that tend to create a homogeneous outlook at the ranger level and park superintendent level. Peace officer park rangers have an inside track on park management positions and dominate career tracks to the best pay and executive positions. Peace

officer management throughout the department has placed a disproportionate emphasis on public safety and law enforcement values, which has sowed discord inside the department. Non-sworn staffers find it harder to move into management ranks and often perceive that park and district superintendents shortchange their priorities such as natural resources, historic preservation and interpretation.

An Outmoded View of Itself

The department's view of itself as the single, central actor in managing state parks is outdated as the world of park management evolves to more of a shared-responsibility model. The department clearly lacks funding to retain its traditional role of managing the state park system by itself, yet maintains a view of itself and its environment that tends to regard outside entities as helpers and not full-fledged partners, even though these groups stepped up to keep most of the threatened parks open for now. California lawmakers quickly moved to help these groups establish themselves as state park managers amid a rush of new management proposals and agreements. The department needed help and received it in abundance from corporate and individual donors, cooperating associations, other government agencies and local communities.

In doing so, these partners effectively ended a nearly nine-decade paradigm in which the department and the state park system were one and the same thing. The department's troubles no longer meant that every individual park also was in trouble. Many saw this as a defining moment.

These partners will not want to return to the days where the relationship was strictly a one-way affair, a dynamic that bred resentment and distrust. Many of these communities already were alarmed by the staff cuts, reduced hours and deteriorating conditions of facilities and infrastructure in their local state parks. State parks are key drivers in economies of the small rural communities that exist near them and depend upon their success and attractiveness to visitors for business, jobs and tax revenues. The proposed closure of 70 parks caught many of these communities and their businesses by surprise.

"What kind of Redwood Empire is it if visitors cannot experience majestic old-growth redwood groves," lamented the Hendy Woods Community, a group formed by Mendocino County residents to prevent the closure of Hendy Woods State Park. The unilateral announcement of the park's proposed closure prompted a panic in the rural area that the state's actions would damage the local wine industry, lead to the cancellation of summer festivals, and close nearly all the "family-friendly" affordable

lodging in the area. The group's website still declares: "Our local economy is struggling to survive. Closing Hendy Woods would crush any chance we have for a recovery."

Envisioning the Next 50 Years

The department's mission to provide for the health, inspiration and education of Californians by preserving natural and cultural resources and creating outdoor recreation opportunities still rings true and appropriate for the management of state parks. But needs change and the department now needs to articulate a new vision to pursue its mission for the next 50 years. That vision has to inspire and affirm the mission and goals, as well as delineate the realities that the department works within.

The department will need to use the principles of this new vision to build the action plan promised to the Legislature. The department should use its visioning process in a way that builds excitement for change and innovation, while at the same time rebuilds confidence in the department. A new vision statement should include these components:

- 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.

Taxpayer Support Is Fundamental

A 50-year vision for the state park system should emphasize that parks are a public good, held in trust for current and future Californians, and as such deserve public funding. The department would greatly benefit from stability in its funding. A commitment should be made from the General Fund that protects and strengthens the park system. A public good that serves all should be supported by a broad-based funding source. California must recognize that requiring state parks to become completely self-sufficient is unworkable and an affront to the system's

traditional mission of protection of public resources and access for all. Keeping the system affordable and fees reasonable has proved in the past a vehicle that will bring more people into state parks and build public support for parks. The state park system cannot be expected to run with self-generated revenue alone. Taxpayer support is essential, as well, to address the department's more than $1 billion in deferred maintenance at state parks. This subject is explored at greater depth in the next chapter.

Redefine Department as a Partner

A new parks vision should make a profound statement about the department's evolving role as a partner with other agencies and organizations. The vision should redefine the traditional top-down role of the Department of Parks and Recreation to one of leader and coordinator at the center of a new ecosystem of parks management. This new ecosystem consists of a variety of existing and new managers: volunteer and cooperating associations, local, regional and national government agencies, private operators, concessionaires, partners in joint management agreements, foundations and universities. In this new vision the department will lead a multi-partner system that spreads park management across a wider base of players and budgets.

It is critical that department management buy into the vision. Managers and executives should be recruited from a wide variety of backgrounds and experience in the many-faceted dimensions of the park system. The department will have to become a change agent, become expert in new operating models being tried throughout the world, and learn to say "yes" to new ideas. Alternative approaches are rising throughout the world of park management as a mix of conservancies, trusts and cooperative management agreements aim to find efficiencies and generate revenue independent of tax-based support.

Steer Department to "Role of the Center" Model

The state's current model relies almost entirely on government employees as the central players in park operations, with staffing rules which mean that budget cuts result in shortened park hours, limiting parks' potential for off-hour and weekend uses such as weddings, concerts and other events. Reduced park hours and limits on uses of parks weaken relationships with the public and discourage engagement with local communities.

To an important extent, the department views itself as the entirety of the state park system, one in which state employees operate parks in a

highly-regulated arena and outside groups, such as volunteer associations, other government agencies and concessionaires, follow state dictates. In no small part, this approach is reinforced by layers of regulations and the involvement of control agencies in developing and approving contracts.

In preserving its historic role as the central player in the state park system, the department fails to take full advantage of opportunities presented by newer, decentralized operating structures and broader trends in the world of park management. It turned to outsiders for help in managing a crisis. It has yet, however, to fully explore how it can adopt alternative operating arrangements on a broader basis to enhance visitor experiences and develop new revenue sources that can help renovate parks and facilities across the system.

To make the park system more sustainable, more useful to visitors and less dependent on state budget cycles, the department should begin the process of redefining itself in relation to the outside groups that already provide crucial support and very well could produce much needed additional revenue.

Specifically, the department director should redefine the parks department in the eyes of employees and outside groups as a "role of the center" operating model. Under this model, which requires a new vision of outward-focused accommodative leadership, the department could employ and oversee a range of operating models with varying degrees of state involvement depending on what best serves the state's mission.

In its new role, the department would be the system leader and central strategist and would be responsible for coordinating efforts undertaken by others who bring their own funding and revenue approaches to the table. The volunteer associations, concessionaires and non-profit groups who have helped sustain the park system come in all sizes and abilities.

If the department can take on the "role of the center," it can play a more effective role in managing the entire state park system while broadening its appeal.

Provide Business Tools for an Enterprise Operation

Any part of a new revenue-driven vision for the future of state parks must include proper business systems, appropriate software, entrepreneurial training and flexible budgeting to enable the department to run as an enterprise. The Legislature should jump-start a revenue-driven vision by providing "seed money" to the department, ideally from

its disclosed reserves, to fund training and software expenses as the department transitions to an enterprise-driven model.

Though the department already has made strides on its own to generate more revenue, much of it has come in the form of fee hikes that have made parks less affordable and damping attendance, suggesting that further fee hikes might produce limited further revenue gains while working against the department's goal of broad public access. The department needs to do deeper work to come up with more ambitious strategies.

Changing times and a new revenue-driven vision also require a fresh and different mix of skill sets. Currently, the management track is dominated by one job classification and required qualifications that prevent most non-ranger candidates from moving up unless they are willing to devote 20 weeks to Peace Officer Standards and Training (POST) courses. A new vision requires increasing training relevant to attracting park visitors and efficiently operating a park. It requires flexibility to promote promising department staff of varying backgrounds and hire professionals with management and marketing expertise from outside the department. The state cannot ask the department to develop more revenues on its own without providing the staff and tools to do so. These topics are explored at greater depth in subsequent chapters.

Assess the System Park by Park

The previous issues are substantial on their own, but the drama they've generated has prevented a considered discussion about a more fundamental issue: The system has grown beyond the department's financial and maintenance capabilities. It is time for a top-to-bottom assessment of the parks in the state's collection to make a determination of which truly hold statewide significance. The department has many parks that are adjacent to regional parks, such as Annadel State Park in Sonoma County, now operated by the county, or function largely as a city park, such as Lighthouse Field State Beach in Santa Cruz, which the city operated for 30 years until 2005 when its lease with the state expired.

"The first thing we have to do is put everything on the table," State Park and Recreation Commission Chair Caryl Hart said at the Commission's October 31, 2012, advisory meeting.

Ms. Hart told the Commission that possibly as many as one-third of state parks could be transferred to other governments or managed by other operators.[61]

A statewide assessment process that uses a public hearing process to analyze whether the state has the right parks in the statewide park system is critical and received much support in the Commission's advisory committee meetings. An assessment would determine which parks are of statewide significance and which parks primarily serve local and regional needs. The tax-paying public, stakeholders and communities dependent on state parks should have the chance to weigh in, and an open process would help reestablish trust lost in the handling of the park closure list.

The assessment should have two separate phases, with distinct goals. The first would determine which parks should remain in state hands and which should more properly be realigned to local agencies. The second phase should focus on the parks that stay in the state system, and determine which are most appropriate for, and could benefit most from alternative operating arrangements. Such arrangements include joint management with other agencies or management by operators in the public, private or non-profit sector under government supervision.

The state has broached these topics in the past, though not through a public process as described above. Budget deficits in the 1990s prompted the department to transfer ownership of six state beaches – Manhattan, Redondo, Dan Blocker, Las Tunas, Topanga and Royal Palms – to Los Angeles County. The state also transferred ownership of portions of Point Dume and Malibu Surfrider (now Malibu Lagoon) state beaches to the county. These 1995 transfers pioneered a mix of incentives and conditions that can provide guidance for a new assessment process. The state committed to pay Los Angeles County $1.5 million annually for three years to help maintain the beaches. At the time the state also imposed conditions that restrict development at the sites and put an inflation-adjusted $250,000 cap on infrastructure projects such as restrooms, parking lots and maintenance or lifeguard buildings. Such conditions might need to be revisited. Some Commission advisory committee participants said that even when adjusted for inflation, $250,000 doesn't build or renovate much in Los Angeles.[62]

Government agencies and other park districts also manage several state park properties on behalf of the department. The range of long-time management partners on behalf of the department includes the Los Angeles Department of Parks and Recreation, East Bay Regional Park District in Alameda and Contra Costa counties and the National Park Service.

Managing a Statewide Assessment Process

The ultimate decision for deciding which parks stay in the system, and if so, who operates them, belongs to the director of the Department of Parks and Recreation. But these decisions can be informed with the assistance and advice of the State Park and Recreation Commission, which can convene public hearings to take public testimony. The commission has an historic role as California's original park strategist and builder, overseeing a 1928 survey of potential park lands and rallying voters to approve the first $6 million park bond. The Legislature in 2012 took steps to empower the commission with more expertise among its appointees, more influence over the state parks budget and more oversight of the department. The commission may be an appropriate vehicle for convening a public process to provide public input to the director.

The Legislature should assist the assessment process with legislation that removes any legal or regulatory hurdles, and provide the process with adequate financial resources. The Legislature has already signaled its support through intent language in 2012's AB 1478 (Blumenfield). The language provides broad outlines for a state park system assessment process and formation of an advisory council to help conduct it.

Given that any process to determine which parks possess statewide significance and which do not is likely to become controversial and politicized, the Park and Recreation Commission would benefit from the use of an advisory process to develop recommended criteria as to what constitutes statewide significance. Ultimate authority for criteria should be with the director. But developing objective criteria for the two phases of an assessment will help both the commission

Should Hearst Castle be in the State Park System?

Discussions with park stakeholders about a statewide assessment of the park system have suggested that the process should have no sacred cows. Some proposed that Hearst Castle (Hearst San Simeon State Historic Monument) in San Luis Obispo County could be operated differently and its art collection – European rather than Californian – can still be seen by the public and better maintained by an operator other than the park system, such as the Getty Museum.

The iconic 115-room hilltop home of newspaper publisher William Randolph Hearst became a state park property in 1958, deeded to the state by the Hearst family. A California newspaper account in 1979 reported that Hearst initially willed the property to the University of California, which said it couldn't afford the upkeep and urged that it become a state park. Though the popular tourist attraction is a major revenue source for the state park system, the costs of maintaining it to standards necessary to protect its valuable artwork exceed income.

A Department of Parks and Recreation manager said in 2012 that deferred maintenance at the site totaled $34 million. Friends of Hearst Castle, a group founded in 1985 to support preservation and interpretation at the historic site, estimates deferred maintenance at $60 million, and said that annual department allocations for maintenance and restoration "do not begin to keep pace with the need."

Sources: Jack McDonald. June 3, 1979. "Hearst's Castle Laid Golden Egg." The Los Angeles Times. Also, Blaine Lamb, Former Chief, Archaeology, History and Museums Division, Department of Parks and Recreation. June 5, 2010. Sacramento, CA. Personal communication. Also, Friends of Hearst Castle. 2013. "Find to Fund" website. http://www.findtofund.com/friends-of-hearst-castle-203.html. Accessed January 24. 2013.

and the department director make recommendations and decisions that make sense to park professionals and to the public and stand up to the inevitable complaints.

Multiple Models For Park Management

Nationally, a new generation of park managers, many trained in the open systems and shared-management ethos of non-profit conservation groups, is changing the traditional command-and-control models for government-run parks. Globally, park managers are finding paths to success with an array of alternative management structures that include trusts, conservancies and cooperative management agreements among multiple government, non-profit and private partners, all designed to protect the public interest in public assets. The common thread to these models is less centralized control and a wider network of funders, managers, trainers, volunteers and government agencies that prize efficiency, cooperation and enterprise in the service of sustainability.

A 2012 study conducted for Save the Redwoods League highlighted an array of groundbreaking examples that include the Presidio Trust in San Francisco, Central Park Conservancy and High Line in New York City, the National Trust in the United Kingdom, Northern Rangelands Trust in Kenya and emerging cooperative land management models in Orange and Monterey counties. All are worth further study for potential regional and statewide models in California.[63]

Open space and public lands consultants, regional park operators and key stakeholders repeatedly expressed the view that state parks need not be run by the department. Experts interviewed by the Commission increasingly believe that state parks can be managed by other experienced land managers, while still being owned by the state, as long as proper standards remain in place, contracts are written to reflect the department's mission and the state monitors performance. The next chapter offers more examples of alternative operating structures and revenue-generating ventures used in other park systems.

Lessons Learned: Redwood National and State Parks

The department has experimented in the past with cooperative park management ideas and has one especially promising model on which it can build. Since 1994, the department has jointly managed the 133,000-acre Redwood National and State Parks in Northern California with the U.S. National Park Service. The two agencies share a maintenance facility and have offices on the same floor of a headquarters building. The agencies have also written what is believed to be the nation's only joint general plan, under the auspices of both the California Environmental Quality Act and the National Environmental Policy Act. The federal government provides most of the 110 full-time employees in the combined operation, approximately 10 for each state employee.

The novel 1994 agreement is rooted in the U.S. government's 1978 expansion of Redwood National Park, which encircled three state redwood parks opened in 1923, 1925 and 1939. While the federal government assumed that the three state parks would be folded into the national park, the state declined to surrender its redwood parks. Joint management of the state and federal holdings provided the compromise now often cited as a model of cooperative management.

"Visitors encounter staff throughout the day who have one patch on their shoulder or other," said Jeff Bomke, the department's acting sector superintendent for the joint state-federal operation. "Rarely do they ask which one I am. It doesn't matter to them as long as the resource is protected and they are safe."

The partnership has had its share of growing pains and misunderstandings, but also successes. Working together requires considerable diplomacy, melding the various operating cultures, rules and regulations of different governments. In an interview with Commission staff, Steve Chaney, a former National Park Service superintendent at Redwood National and State Parks, said, "Every time a new person comes in, a new superintendent, a new maintenance worker, they come in with their agency's training and perspective and history and knowledge, and that very often conflicts with the effective operations of a partnership."

The state-federal relationship paid off in 2012 as the National Park Service took two more state parks under its wing – Samuel P. Taylor State Park and Tomales Bay State Park in Marin County. Both were on the department's proposed closure list.

Sources: Jeff Bomke, Acting Sector Superintendent, Redwood Coast Sector, California Department of Parks and Recreation. October 1, 2012. Personal communication. Also, Steve Chaney, Former Superintendent, Redwood National and State Parks.

A Fertile Laboratory for Change

The response to the 2012 closure crisis created a laboratory for the department to experiment with different approaches to operating state parks. New and increasingly professionalized managers, often grounded in local communities or the outdoor recreation industry, hit the ground running, finding innovative new ways to market and improve their parks. Parks added camping options and drew in new revenue from weddings, corporate retreats and special events.

In 2012, the state created a second laboratory for change, issuing five-year contracts to a pair of private firms to run four state parks – Brannan Island, Turlock Lake and Woodson Bridge state recreation areas and Limekiln State Park – under government supervision. (Turlock Lake and Limekiln were among four state parks contracted out during the 1990s financial crisis to a private firm, Palo Alto-based California Land

Management Services Corp.) The state's revenues from these private contracts are being plowed back into maintaining the four parks.

The department won't be able to go back to business as usual after entering into such a wide variety of management agreements. It needs to realize this and learn how to perfect the relationships. That will require vision, strategic planning and cultural change inside the department. It also will require setting new guidelines to help the department to be a better partner while guarding its mission of protecting public assets.

Misunderstandings and bureaucratic snags in these new relationships should be expected, but the department should act to minimize them. Several stakeholders suggested an ombudsman-type position that can find ways around sticking points in working relationships. Another possibility suggested by stakeholders is a full-scale partnership division within the department dedicated to solving problems with new partners managing state parks.

Explore Joint Management Efficiencies to Cut Costs

More broadly still, the state should explore the potential to keep parks open, curb costs and realize efficiencies by entering into shared management agreements with government agencies that have properties and operations near state parks. Government-based conservancies and national park agencies, water districts, open space districts and regional park districts operate a multitude of important land management units throughout California, often in the same watersheds and ecosystems as state parks, and often inside the same larger geographical boundaries, such as the Santa Monica Mountains, Monterey Peninsula or Golden Gate National Recreation Area. All represent potential for the kind of successful and collaborative shared management agreements already in use among multiple partners at Cosumnes River Preserve in Sacramento County and the Santa Rosa Plateau Ecological Reserve and Coachella Valley Preserve in Riverside County.

The three examples above point to potential for joint-management consortiums. A consortium of partners might concentrate on a single geographical area such as Marin County, the San Francisco Peninsula or Santa Monica Mountains. On a pilot basis, the department should solicit proposals for cooperative management agreements in a geographic zone that contains numerous state parks and other nearby parks owned and managed by different government agencies. A consortium might include any number of partner combinations: local, state and federal government agencies, regional park districts, county sheriff's and public works departments, private concessionaires, land trusts, non-profit

conservation groups, cooperating associations, conservancies and volunteer associations.

In Marin County, for example, the National Park Service already operates the Golden Gate National Recreation Area, and national parks such as Muir Woods National Monument, Point Reyes National Seashore, the Marin Headlands and, through an operating agreement to rescue two threatened Marin County state parks, Samuel P. Taylor State Park and Tomales Bay State Park. The region also features trails and open space owned by the Marin Municipal Water District, as well as parks operated by the Marin County Open Space District. Two other threatened state parks, China Camp State Park and Olompali State Historic Park, now are being operated by alliances of non-profit groups. The state continues to operate Angel Island State Park, which is rich with both state and national history. Considering the efficiencies that could be achieved by managing the Marin County parks as a unit and sharing existing resources to maintain park facilities, the state should consider how a geographic consortium approach could ensure that state-owned parks remain open and accessible to the public.

Examples: Cooperative Management of Public Park and Conservation Lands in California

Cooperative management agreements divide operating responsibilities for parks and preserves among numerous public agencies and/or nonprofit conservation groups. Operators manage collectively according to common, agreed-upon rules and goals that often are different from how they would manage alone. Cooperative agreements have a proven track record in California. Three examples:

Cosumnes River Preserve: Eighteen partners jointly run this 46,000-acre wildlife area in Sacramento County, including the U.S. Bureau of Land Management and Fish and Wildlife Service, the California Department of Fish and Wildlife, Sacramento County Department of Regional Parks, The Nature Conservancy and Ducks Unlimited.

Coachella Valley Preserve: This 20,000-acre preserve in Riverside County has multiple owners and partners, including the U.S. Bureau of Land Management and Fish and Wildlife Service, California departments of Parks and Recreation and Fish and Wildlife, the Coachella Valley Mountains Conservancy and other nonprofit conservation organizations. All partners manage their individual areas according to a common negotiated set of policies, rules and procedures for the entire preserve.

Santa Rosa Plateau Ecological Reserve: Owners of this 9,000-acre Riverside County reserve include the State of California, Metropolitan Water District and Riverside County Regional Park and Open Space District. All manage jointly according to agreed-upon rules and objectives in a partnership that includes the Nature Conservancy.

Sources: Cosumes River Preserve. "Welcome to the Cosumnes River Preserve's Home Page!" http://www.cosumnes.org. Also, Coachella Valley Preserve. "Thousand Palms Oasis Preserve in the Coachella Valley Preserve System." http://coachellavalleypreserve.org. Also, Riverside County Parks. "Santa Rosa Plateau." http://www.rivcoparks.org/education/santa-rosa-plateau/santa-rosa-plateau. Accessed August 7, 2012.

A consortium could propose any number of potential governance structures, such as a trust, conservancy, joint powers authority or cooperative management agreement.

As the department struggles to maintain its public lands and historic sites, cooperative management agreements with new partners – and consortiums of partners – could bring fresh energy to the entire state park system.

Experiment with Smaller Regional Pilot Projects

The department should be encouraged to use small regional pilot projects to test innovations that can be used for other parks in the system, or groups of parks. Among the group of 70 threatened parks, several are run by a collection of non-profit groups that operate different state parks under wholly separate operating agreements. This raises the possibility of organizing groups and agencies from the same region to operate parks in the same area through a geographically-based management structure.

Several regions of California could serve as "centers of innovation" for state park pilot programs: Los Angeles, San Francisco's East Bay, the San Francisco Peninsula, Monterey and Sonoma Counties. Each of these regions contain numerous parks run by multiple government jurisdictions and non-profit organizations.

Within these areas, many entities – the Golden Gate National Recreation Area, Santa Monica Mountains Conservancy, Big Sur Land Trust and East Bay Regional Park District – already have proven themselves as innovators.

Existing management relationships in these zones are already powering many informal cooperative arrangements among neighboring partners in eradicating marijuana cultivation, showing a police presence and picking up one another's trash.

"It's a loose framework. So much of it is a product of relationships on the ground," said Rorie Skei, chief deputy director of the Santa Monica Mountains Conservancy, during a Commission advisory meeting.

Regional pilots and centers of innovation must be a key part of opening the department and state park system to evolving practices and ideas influencing park management throughout the world.

Parks Drive Local Economies

Park-dependent communities were annoyed with the department for announcing closure plans without warning. A new vision must recognize how important state parks are to the economies of nearby communities. California state parks attract more annual visitors than Disneyland, and these visitors spend almost half their money in local communities when visiting a state park, Patrick Tierney, professor and chair of the Department of Recreation, Parks and Tourism at San Francisco State University, told the Commission.

Park visitors spend money for gasoline and food at grocery stores, eat in restaurants and stay in local motels. Tierney cited a 2002 study in his testimony showing that over a two-year period, 230,000 campers at Morro Bay State Park contributed $12 million to the City of Morro Bay. A 2011 study for the department by BBC Research estimated that state park visits from 2006 to 2008 generated $1.5 billion in revenue for Southern California and $225 million for Sierra Nevada communities.[64] A September 2009 report conducted by California State University, Sacramento, for the department estimated that visitors spent $1.84 billion in parks and nearby communities from 2007 to 2009.[65]

The mountains and beaches in California state parks are often the images tourists visualize when they think of the state. Yet despite the state's $102 billion travel and tourism industry, the Department of Parks and Recreation and the California Travel and Tourism Commission have no formal working relationship to produce marketing programs, though the state's parks figure prominently in the travel and tourism commission promotional materials. The tourism commission's approximately $50 million annual budget to "brand" California in domestic and international markets provides no stand-alone allocation to market state parks. Partly, this is due to the commission's strategy that focuses on statewide tourism promotion, while local and regional tourism bureaus promote their own attractions, including state parks.

A new strategy for state parks should include building communication with other parts of state government, including the travel and tourism commission, to better promote and market the state parks department's recreational, cultural and historical assets. The state has time to build a campaign around California's 150th park anniversary that could draw visitors from California as well as from Mexico, Germany or China. State parks should be more than pretty pictures in California travel brochures. A new entrepreneurial state park system, managed by an array of innovative partners, should be a natural partner to the California Travel and Tourism Commission.

Commission staff conversations with REI Adventures, a travel division of Recreational Equipment Inc., determined that the outdoor recreational industry is highly focused on the potential of these international audiences. The department and its stakeholders should devise strategies to increase the attractiveness of state parks to international visitors and cultures. Many of California's state historic parks especially resonate with global cultures. State parks stakeholders should learn to work more effectively with the tourism and travel industries to position state parks for greater visibility and enhanced revenue opportunities with newer audiences.

The department can benefit from the work of other states, particularly the online marketing effort produced by the collaboration of the Arkansas state parks department and its state tourism bureau. There, the Division of State Parks is housed within the Arkansas Department of Parks and Tourism. Collaboration within the same department has produced an advanced state parks website and mobile phone applications that blend stunning pictures of parks with high-quality videos, 360-degree views, maps, current weather conditions and "trip idea" suggestions for one-day and extended excursions. The site also provides discount coupons for lodging, an events calendar and a wide array of written material on the system's trails, parks and lodges. The effect reflects the important synergy that occurs when marketing and park professionals work together. California likes to lead the world, but it can learn much from others who try harder.

Conclusion

A long, slow decline in General Fund support for state parks has exposed significant shortcomings in the department's ability to run the system. A structure and operating culture that built and maintained one of California's singular public accomplishments no longer is sufficient to provide park experiences to visitors, or to protect and preserve the state's cultural heritage.

The Department of Parks and Recreation must transition to a new operating culture, one that honors the department's mission even as it generates more revenues on its own. It will need the support of the Governor and Legislature to make this transition, as well as resources to adapt to the challenges of operating as an enterprise. Our state parks are a public treasure held in trust for future generations. With public responsibility comes public obligations, and should be supported by broad public contributions through General Fund allocations.

To make its new direction clear, the director must lay out a new vision for the department, one that redefines the role of the department in relation to its partners, to the public, and to the communities in which it operates.

As the department begins to move forward, it should take stock of the parks in its collection. The department, with the help of the State Park and Recreation Commission, should assess its parks to ensure they continue to have statewide significance. Those that serve a primarily local or regional population should be realigned to local public agencies.

For the parks that remain in state ownership, the department should learn from its history of shared operating and management, as well as its current experiment with alternative operating arrangements, and determine how more of its parks could benefit from new operating models.

The department has a storied history in which it can take great pride. It now must take the steps to ensure that it will have a great future as well. These recommendations were developed with the goal of aiding and guiding the department in its transition to that sustainable future.

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 enlist 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.

Toward Funding Stability and Revenue Growth

The recession that torpedoed California state revenues over the past four years wreaked special havoc on those state departments that relied in part or in whole on General Fund allocations. Each year, these departments would draft spending plans, only to tear them up and start over, sometimes repeatedly, as new, lower, revenue projections made it clear that more cuts were necessary.

The Department of Parks and Recreation found itself vulnerable on two fronts, as its two biggest sources of money – the General Fund and revenues held in the State Parks and Recreation Fund – both were influenced by the sinking economy. As it pared the department's General Fund allocation, the Legislature optimistically raised the projected revenues the department should receive from fees and contracts, explicitly pushing the department to grow its own revenues to bolster its budget. But revenues from operations often came in below budgeted projections, eroded by poor weather, higher gasoline prices, fires and other factors equally hard to control.

"For over 140 million years redwoods have survived ice, flood and fire. But the delicate web of parks protecting the remaining strands is fraying. The challenge is no longer the ax and saw, but climate change, neglect and state budget cuts."

Save the Redwoods League. "It Takes a Forest" documentary.

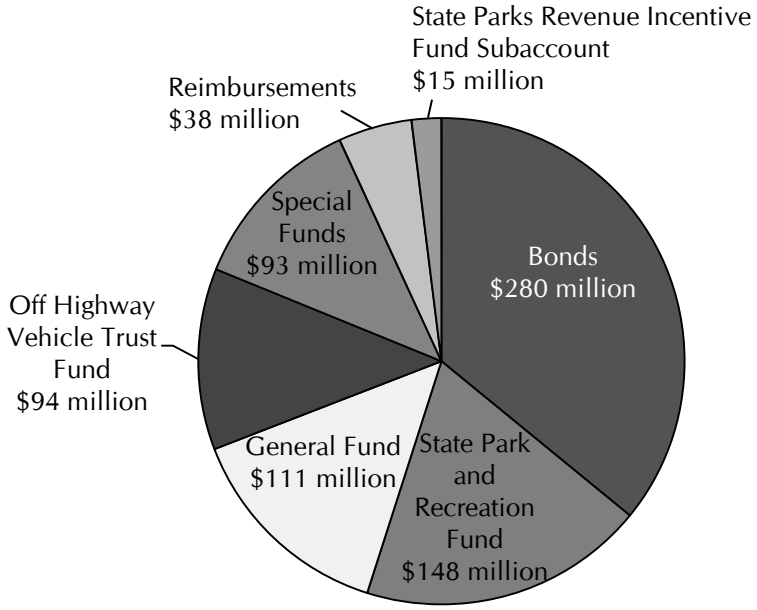
The department's budget problems, however, did not start with the recession. In the early 1990s, cutbacks in the defense industry put California into a recession, one that forced the department to eliminate staff, try new ventures as well as performance management. Flush revenues that came with the technology boom made those lean times a memory and many of the reforms were discontinued. As former Senator Joe Simitian said during budget subcommittee hearings in 2012, "Parks has lurched from crisis to crisis for years."

Today, the park system is struggling beneath the weight of its acquisitions. The system has outgrown its revenue streams and beyond the diminished department's ability to properly manage it. A generation of current state park managers who began their careers amid expansion now manage continual decline. During the course of this study, managers repeatedly told Commission staff that the department's problems could be fixed simply by restoring its General Fund money to earlier levels. Though it is hard to argue that the department's mission is undeserving, the proposed solution is both out of step with the budget

realities faced by the rest of state government, and ignores revenue opportunities the department has been slow to pursue.

The passage of Proposition 30 and Governor Brown's proposed 2013-14 budget offer the chance to move past chronic budget fluctuations and start to plan for the state's future from a position of stability. This respite also means, however, that discussions put off during the heat of the crisis now must be engaged. Regarding the Department of Parks and Recreation, a key issue to be resolved is the appropriate level of General Fund support going forward.

Funding Sources for Department of Parks and Recreation
(Estimated Governor's 2012-2013 Budget)



*Special Funds accounts include: California Environmental License Plate Fund ($3,268,000), Public Resources Account, Cigarette and Tobacco Products Surtax Fund ($10,019,000), Habitat Conservation Fund ($6,052,000), Winter Recreation Fund ($347,000), Harbors and Watercraft Revolving Fund ($1,683,000), Recreational Trails Fund ($32,396,000), Federal Trust Fund ($29,502,000), and State Park Contingent Fund ($10,000,000).

Source: Department of Finance. January 10, 2013. "3790 Department of Parks and Recreation. 3-Yr. Expenditures and Positions." Governor's Budget. http://www.ebudget.ca.gov/StateAgencyBudgets/3000/3790/spr.html. Accessed January 10, 2013.

The discussion clearly will be influenced by the size of the department once it completes its assessment of its system and the likely realignment of some of the department's holdings. This discussion must acknowledge the need for the department to fulfill its public mission and obligation to protect the state's natural, historical and cultural treasures for future generations. It necessarily must consider how best to position the

department to pursue new sources of revenue. Growing revenues and protecting park resources and assets also will require addressing the department's maintenance backlog, which both threatens natural, cultural and historic resources and also erodes the department's ability to attract partners who may help draw new visitors and new revenue streams.

Though the department has some experience in developing partnership agreements with concessionaires and volunteer groups, it lacks the organizational capacity to take on the enterprise functions required to generate more of its own revenues. In the field, the department lacks the ability to track key operating data such as labor and operating costs for its individual state parks. It is difficult for the department to determine a successful revenue enhancement strategy that might cover the costs of a park – or every park in a district – without knowing a financial break-even point.

Knowing what it costs to run a park, and how those costs can be apportioned are critical first steps in creating any kind of sustainability plan – or credible operating agreement with a nonprofit or private partner. To this end, the pilot study examining costs at the individual park unit level in its Central Valley, Monterey and San Diego districts is important. The aim is to use the data to categorize activities to determine which are essential to operating a state park, and build an accurate picture of parks' cost structures that can be used to improve management and assess alternatives, including revenue opportunities.

Such efforts previously have been hampered by state budgeting processes and financial controls that do not easily accommodate the department's need to invest revenue surpluses for the future. Many of these controls exist to provide appropriate accountability for taxpayer funds. The department's missteps have shown the need for such oversight while demonstrating the need for better financial reporting systems. The revenue goals assigned to the department by the Legislature and administration require that the department have greater flexibility to make more strategic use of the money it makes from operations.

The department also lacks the professional capacity for quickly evaluating potential enterprise proposals, or to negotiate complex, long-term contracts in a timely fashion. This deficit is not unique to the parks department; the Commission noted in its 2010 study on strategies for infrastructure finance that the state is ill-prepared to negotiate public-private partnerships for major projects with counterparties who have significantly more contract expertise.

To the degree that the department is expected to be successful in generating more of its own revenue, it will need to develop and integrate these capacities into its operations. But it needs the support of the Legislature and the operational flexibility to do so.

Declining General Fund Support

As previously noted, over the past 35 years, California has whittled down the level of taxpayer support for the California state park system from 91 percent of state park operations in 1979, to just 22 percent – $110.6 million – of the 2012-13 budget. There has been no overarching policy discussion accompanying this gradual and sustained reduction.

"This policy shift, in turn, means that state parks has to spend more time and effort on ensuring it raises enough revenue to cover its costs," former Department of Parks and Recreation Acting Chief Deputy Director Michael Harris told the Commission. "It also means that California state parks are more vulnerable to revenue-affecting factors (like weather, natural disasters and recessions) over which it has no control."

It is worth noting that the Legislature turned to the General Fund as a primary funding source for state parks in the late 1950s, declaring it more stable than the tidelands oil revenue that previously funded much of the parks budget.[66]

Requiring the department to generate more of its revenues makes the department and its partners anxious not only because of the added uncertainty of the revenue stream. History has taught the department that generating park revenue can lead to further General Fund losses. Transcripts from the Attorney General's 2012 investigation into financial irregularities in the department highlighted department concerns that a good year for self-generated revenue can produce deeper cuts to its General Fund allocation.

In one interview, Denzil Verardo, former department chief deputy of administrative services, explained that if self-generated revenues exceed what the Legislature appropriates – perhaps due to good beach weather in May and June – "then it's obvious that the Department of Finance may take that SPRF (State Park and Recreation Fund) allocation and use it for the general good of state government … the better you do on SPRF consistently, the chances are the lower your General Fund is going to be."[67]

Diminished General Fund support cannot be made up with bond proceeds because ballot language for each individual bond sets conditions on how the money can be spent. In general, the money

cannot be used for operating costs, even though property purchased with bond money increases the department's maintenance and operating obligations. One indication of this is the ratio of acreage to staffing: The department reported in 2011 that staffing levels per 1,000 acres have fallen 26.6 percent since the late 1970s, the combined result of budget reductions and an increase in acreage.[68]

Deferred Maintenance Backlog

Bond funds and special funds also fall short for addressing the massive problem of deferred maintenance. While park bonds have helped develop newer state parks, their primary purpose for years was to buy new properties. Older state park infrastructure, which includes buildings and facilities built by Great Depression-era Civilian Conservation Corps and Works Progress Administration workers, is falling apart. "We have rutted roads, failing toilet facilities, a roof leaking at our (state historic) house that's causing thousands of dollars in damage," Benicia Mayor Elizabeth Patterson told a Senate budget subcommittee. Park officials say their billion-dollar backlog includes hundreds of millions of dollars of work necessary to restore or upgrade facilities at state historic parks operated by the department. Many historic mansions and related buildings were donated to the state after years of neglect by previous owners and require extensive seismic upgrades, as well as modern wiring, heating and air conditioning systems. Even the Mono County ghost town at Bodie State Historic Park costs money to preserve its state of "arrested decay."

In 2008, as California's economic downturn deepened, the National Trust for Historic Preservation placed California's state parks on its list of the nation's "11 Most Endangered Historic Places." The threats, as identified by the trust: "Deterioration, Neglect and Poor Public Policy."[69]

"We've got over $1 billion deferred maintenance because we can't afford to do it," the department's Michael Harris told Commission staff in early 2012. "What matters is that parks are falling down around our ears. Are we doing an adequate job? The answer is, 'No. We're not.'"[70]

Examples abound statewide of the massive maintenance backlog reported by the department. To name just five:

- $2.1 million for facility repairs at Vallecito Ranch in Anza Borrego State Park.
- $1.8 million to reroof the north wing of Hearst Castle.
- $300,400 to repair the historic ranch house at Montaña de Oro State Park.

- $175,000 to stabilize a historic residence at Navarro River Redwoods State Park.
- $150,000 to replace antiquated wiring and plumbing at Governor's Mansion Historic State Park.[71]

A state Senate subcommittee report in 2012 noted that problems with neglected water, wastewaster and septic systems put at least 20 state parks on the proposed closure list in 2011. Such widespread maintenance problems deter potential partners who might manage parks on the state's behalf, state park executives said. Partners who already operate state parks for the department verify their concern. Robert Doyle, general manager of the Oakland-based East Bay Regional Park District, which manages parts of four state parks for the department, told Commission staff, "You're giving someone a broken vehicle. I would say 40 percent of the entire state park infrastructure was built by the WPA (Works Progress Administration) and the CCC (Civilian Conservation Corps) and that's falling apart."

The Legislature has recognized the problem in the past. As recently as 2006, lawmakers allocated $250 million from the General Fund to help the department catch up with necessary repairs. The following year, amid rising state budget deficits, the $250 million was cut to $37 million.[72]

If deferred maintenance deters potential partners, deferred planning also carries a cost. Planning is a critical pathway for investing in improvements that can aid an enterprise vision. But staff shortages have shifted planning priorities away from finding novel ways to accommodate future visitors and more to limiting health and safety problems related to aging water and septic systems that can make park visitors sick. General plans are the equivalent, as one park planner said, of "our eyes over the horizon." They are long-range planning documents that envision how a park might be used and by whom. They become road maps for future policy decisions made in the field. More relevant for potential revenue generation, an individual park cannot be developed or make large-scale infrastructure changes without first preparing a general plan or amending an existing plan. Many of the park system's general plans date to the 1970s and 1980s and have never been amended.

Stable Funding; Tools to Grow

It took decades for the state park system's financial foundation to erode. It is unreasonable to expect that the department's funding challenges can be solved quickly. They can, however, be immediately addressed. The first step toward a solution is explicitly acknowledging that the state

park system is a valuable public treasure, one that requires and deserves public support.

None of California's state parks generate enough fee revenue to pay their total costs of operations, maintenance and infrastructure upgrades, even popular and crowded sites such as Hearst Castle. Smaller historical sites, however important to the California story, draw nowhere near the same number of visitors, and cannot cover even their labor costs. For all emphasis on generating revenue from fees or concessions, if the state wants to preserve some of its most important natural resources and historic and cultural assets, it must subsidize them.

At the Commission's March 27, 2012, hearing, Elizabeth Goldstein, president of the California State Parks Foundation, testified, "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." Ms. Goldstein told the Commission, "At the very least we should collectively decide what a rationally-derived, minimally acceptable level of General Fund support should be to DPR (Department of Parks

A National View: Potential Revenue Sources for State Parks

The Washington, D.C., policy center Resources for the Future (RFF) analyzed potential revenue sources for state parks in its January 2013 report, "Paying for State Parks, Evaluating Alternative Approaches for the 21st Century." The report cited a widespread trend in state park systems of falling taxpayer support and newer substitute revenue sources. Major findings:

- General Fund revenues have declined from 59 percent of state park operations support in 1990 to 34 percent in fiscal 2011-12.
- Offsetting weakening General Fund revenues were newer dedicated funds from state lotteries, hunting licenses, environmental license plates, real estate transfer fees and mineral severance royalties.
- Park-generated revenues, often from increased user fees, have become the largest funding source for state parks, outperforming revenues from the General Fund and dedicated funds.
- Many state parks could benefit from an enterprise model independent of legislative appropriations, but few use it.

The RFF report analyzed use of revenue from sales taxes, oil and gas revenues, private operators, conservancies, philanthropy and potential for state parks to receive payments for "ecosystem services" such as watershed protection and carbon sequestration. The study makes no recommendations, but offers "rules of thumb" for states seeking sustainable funding for their park systems:

- User fees generated in state park systems need to stay in state park systems through an enterprise fund approach. Enterprise funds that require the Legislature to appropriate revenues back to the state park system are problematic.
- User fees are appropriate and here to stay. But overcharging at parks that are in poor shape due to underfunding can backfire.
- Contracting with private firms to run parks is not necessarily bad, but is unlikely to be the solution to state park funding problems.
- Dedicated funds provide some certainty for park operations, but nearly always bring further General Fund reductions. Dedicated funds should be created through Constitutional amendments, be based on a long-term revenue source, or if tax-based, have a wide base and a small rate with minimum household burden.

Source: Resources for the Future. January 2013. "Paying for State Parks, Evaluating Alternative Approaches for the 21st Century." http://www.rff.org/RFF/Documents/RFF-Rpt-Walls-FinancingStateParks.pdf. Accessed January 22, 2013.

and Recreation), in order to maintain and not dismantle the state park system."

To address concerns that success in increasing fee or other revenues from operations could result in less General Fund support – to some, another disincentive from pursuing more revenues – the state could commit to not using self-generated park system revenues to supplant General Fund support. The level of the funding necessarily would change depending on the outcome of the system-wide assessment recommended in the previous chapter.

This could provide the foundation to re-energize the planning function critical to expanding revenue generation, and create the conditions for developing long-term revenue development.

Recent legislation has allowed the department to retain some self-generated revenue through a continuous appropriation. This is an important first step, and the Legislature should consider expanding the size of the continuous appropriation as soon as the department demonstrates it is able to reinvest this money in accordance with park sustainability plans.

To make a credible case for a larger continuous appropriation, the department will need the business capacity required for running a transparent enterprise. If the department is to succeed in its necessary quest to be more transparent about its funding streams and earn more of its own way, it needs the following:

- ***Modern accounting systems and business software to track costs of running individual parks and find revenue opportunities and cost efficiencies.*** The Legislature has ordered the department to become more entrepreneurial; now it needs to follow up with allowing it to have the tools to make the department successful. Not knowing what it costs to run an individual park operation makes it difficult to assess the system individually and at a larger scale for potential revenue strategies. The department has recognized this as a weakness.
- ***Business, financial and marketing training for park managers and district superintendents.*** The department currently expends much of its training funds to provide peace officer park rangers with training to meet requirements of Peace Officer Standards and Training (POST). This leaves inadequate funding to educate park superintendents and other managers in a broader range of skills needed to run an enterprise-oriented operation.
- ***Ability to recruit park managers with management expertise and experience in commercial or public recreation enterprises.*** The

department's personnel classifications restrict most park management jobs to park rangers who generally lack business and marketing experience. Under these rules it is nearly impossible to hire an experienced entrepreneurial-minded manager from outside to assist the department in its transition to a revenue-focused operation.

- ***Ability to size up potential revenue-generating opportunities.*** The department has no tools to undertake either snap analyses or sophisticated feasibility studies of business opportunities in state parks. Sizing up new ideas and assessing their potential for scaling up to the district or statewide level is critical, especially in an era when many parks are being managed by associations and governments outside the department.
- ***Budgeting flexibility that permits the department to spend and invest more of the money it generates independently of the Legislature's annual appropriations process.*** The Legislature is right to demand accountability for what the department spends from the General Fund. But a process in which the Legislature requires the department's self-generated revenue to be appropriated on an annual basis restricts the department's ability to act entrepreneurially. Better business accounting and reporting systems can provide the proper level of accountability. Many city park districts retain some of their self-generated revenues and spend them strategically on investments for the future through continuous appropriations. The Department of Defense has a similar policy for its recreation operations. Congress allows the U.S. Marine Corps, for example, to generate its own money from base recreation programs and spend it on a continuing basis without Congressional authorization. The Legislature in 2012 granted authority to the department to spend several million dollars of its revenue on a continuous basis. The practice should be expanded if the department manages the money well.
- ***Increased ability for park district superintendents to keep more of the funds generated in their parks for investment back into those parks.*** Traditionally, park districts that found innovative ways to make money from their parks have had to surrender it all for statewide use, a practice that dampens motivation to try new approaches. The Legislature, in passing AB 1478 (Blumenfield), now allows districts to keep 50 percent of the revenues that are generated beyond department revenue targets. This represents an important first step and should be monitored for potential expansion.

New Revenue Not Without Complication

Pressing state parks to generate new revenue and become more self-sustaining is inherently controversial. California's state parks, after all, serve a larger purpose. Voicing concern about the indoor pools, lodges and recreational amenities that attract visitors to state park systems on the East Coast, Sierra Club California Director Kathryn Phillips noted: "State parks have their own value for conservation, water and wildlife habitat. These are just as important as a sense of activity by the public. I don't want us to lose sight of that."

Many enterprise efforts will focus on bringing more visitors to state parks. That invariably means consideration of lodges and more active recreation, more congestion and a heavier human imprint on often delicate habitats. Efforts by the department to develop new revenue sources will inevitably fuel the tension between needed income and the desires by many parks stakeholders such as the Sierra Club to keep parks as non-commercial as possible.

Stakeholders will raise alarms about many revenue generation strategies, arguing that they represent steps toward turning state parks into equivalents of commercial enterprises such as Disneyland or McDonald's. Such criticism is common in states that open the debate and is both appropriate and important to the discussion. Sensitivity and strong communications regarding goals is vital to ensuring that successful revenue-generation strategies are consistent with the state park system's mission and values. The Park and Recreation Commission can provide a valuable forum for such concerns.

Legislation Proposes Oil Tax for State Parks

Senator Noreen Evans of Santa Rosa in February introduced SB 241, proposing an oil severance tax to generate approximately $140 million or more annually for the state park system. The legislation calls for a 9.9 percent tax on the gross value of each barrel of oil produced in California beginning January 1, 2014. The Department of Parks and Recreation would receive 7 percent of the annual revenue with the remainder allocated to the University of California, California State University and California Community Colleges. Evans and supporters estimate the bill would initially produce $2 billion in annual revenue for higher education and state parks.

Sources: SB 241. Introduced February 2, 2012. http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb_0201-0250/sb_241_bill_20130212_introduced.pdf. Also, Senator Noreen Evans. February 12, 2013. "Evans introduces bill to raise billions for higher education and state parks." http://sd02.senate.ca.gov/news/2013-02-12-evans-introduces-bill-raise-billions-higher-ed-and-state-parks.

Corporate Partners and Sponsors

California state parks have received more than $7 million dollars in outside funding in recent years through partnerships with corporations and the California State Parks Foundation. Though the number is small in relation to the department's $110.6 million General Fund allocation in 2012-13, companies have helped plant trees in state parks, cleaned up state beaches, fixed fences and made direct contributions for the benefit of California state parks. Great potential exists for

the department and the foundation to build on these contributions, especially if sponsors see fresh upward spirals of successes that help renew trust in the department.

Corporate partnerships have increased in recent years as the Great Recession weakened finances of the state in general and the department in particular. The department's Proud Partners program has resulted in a range of donations that include Subaru automobiles for on-duty use by state park lifeguards, a California state park "Welcome Kit" distributed to 1.5 million park users and new recycling bins at California state beaches throughout Southern California.[73]

Nearly $2 million in corporate sponsorship from Coca-Cola Company and Stater Bros. Markets of Southern California is helping the department plant one million seedlings in a park area burned during a 2003 forest fire.[74] The two companies launched another $1 million "Preserve our Parks" fund-raising campaign in early 2012 to support state parks in Southern California.

The department also has received commitments of $1.7 million for renovations to Fort Ross State Historic Park from Russia's Renova Fort Ross Foundation, founded by Russian oil and metals billionaire Viktor Vekselberg.[75] Smaller contributions also came to the aid of state parks amid threats of proposed park closures in 2012. West Sacramento grocer Raley's contributed $75,000 to prevent the closure of the Governor's Mansion State Historic Park in Sacramento.[76] In 2012, the American Automobile Association pledged $5 to the California State Parks Foundation for every auto insurance quote completed for a perspective policyholder in Northern California. Chipotle Mexican Grill made a $100,000 donation. Grocery products maker Farmer John donated $1 for grill equipment at Southern California state parks for every $10 worth of Farmer John products sold in Southern California supermarkets.

The contributions of thousands of volunteers, cooperating association members, friends groups and others who give time to the state park system should not be overlooked in discussions about financial support. These volunteers serve on the park system's behalf and "park champions" volunteer through the California State Park Foundation, plant trees and native plants, act as docents, paint lifeguard towers, maintain and repair trails, greet park visitors and help restore historic buildings to name just a few of their contributions. The collective effort of Californians who provide services to the department in park cleanups and operations is invaluable to a system that could not survive without it.

Broader Variety of Camping Experiences

Campers who don't want to sleep in a tent or their recreational vehicle have few alternatives to consider in California state parks. Among the system's 14,206 traditional camp sites are fewer than 200 options for alternatives to tent camping. These include approximately 60 rustic cabins, 38 tent cabins, 13 cottages and 10 floating campsites.

While the department has long recognized the need for alternatives to extend the camping season with more comfortable quarters, revenue shortfalls have greatly hampered rollouts of new forms of lodging. The department's most recent 2012 additions included eight rustic cabins at Clear Lake State Park in Lake County which rent for approximately $82 nightly. A private concessionaire that already operates a store and kayak rentals at the park operates the cabins under a two-year contract.[77] The department also unveiled five prefabricated cabins at Samuel P. Taylor State Park in Marin County, a park on the department's proposed closure list in 2011. Department officials said the Marin County cabins, which cost $280,000 to buy and install, will earn approximately $150,000 annually at a cost of $100 a night.[78] Nearby Mt. Tamalpais State Park provides nine primitive cabins at Steep Ravine Environmental Campground overlooking the ocean.

Other states and many European nations have long ago added lodging alternatives for so-called non-traditional campers. Among these are aging Baby Boomers, campers with disabilities, parents with young children, young adults, former recreational vehicle owners as well as people new to camping. Many of these campers head instead to private parks and outdoor resorts throughout California that offer a variety of rustic and deluxe cabins, comfortable and luxury tents and yurts, which are relatively large canvas-covered structures that can be placed on the ground or on platforms. In California, these resorts are often located near state parks, which provide their visitors easy access to park amenities, but deny the state the camping revenues. At least 16 state park systems, including Nevada, Oregon, Washington, Idaho, Montana, Georgia, Rhode Island and Ohio, now offer yurts.[79] Europeans pioneered networks of mountain or shepherd's huts connected by hiking trails, as well as caravan-style wagons and trailers in which to stay.

To California's north, Oregon State Parks offers approximately 190 yurts, 75 rustic and deluxe log cabins and four teepees for alternative camping. Oregon's parks, which serve several fewer million people than California, installed their first yurt in the mid-1990s; park officials said the payback period for alternative camping structures such as yurts and cabins averages three to five years. In return, they are seeing strong demand

and new revenue sources due to increased fall, winter and spring camping.[80]

Privately owned campgrounds throughout California provide many alternatives for California state parks to consider. Options exist in a range of prices to please both families on budgets and so-called "glampers" who want a "glamor" camping experience. Campers at Hat Creek Resort & RV Park near Lassen Volcanic National Park pay $69 nightly for a yurt during the busy season. Campers seeking glamorous outdoor accommodations go to Santa Barbara County's El Capitan Canyon Lodge for deluxe yurts, safari tents and cabins for $155 and up. New camping facilities that extend the traditional camping season while expanding the customer base provide ample opportunity for the department and stakeholders to tap new revenue streams in coming years.

Concessionaires

The Department of Parks and Recreation has seen growing revenues in recent years from concessions. Nearly 200 state park concessionaires, the private and non-profit enterprises that operate lodges, restaurants, stores, marinas and golf courses, grossed $96.7 million during the last reported figures from the 2010-11 fiscal year. These operations paid the department $13.4 million – nearly 14 percent of the concessionaires' total receipts.[81]

Concessionaires' level of involvement at state parks commonly is at the level of food and beverages, kayak rentals and guided horseback tours. But concessionaires also provide far more extensive services. The state contracts with for-profit ARAMARK Parks and Destinations to operate the Asilomar Conference Grounds at Asilomar State Beach on the Monterey Peninsula. In three cases, the state has contracted out all facility operations to non-profit groups, including:

- The Crystal Cove Beach Cottages at Crystal Cove State Beach, run by the Crystal Cove Alliance.
- El Presidio de Santa Barbara, run by the Santa Barbara Trust for Historic Preservation.
- The Marconi Conference Center in western Marin County, run by the non-profit Marconi Conference Center Operating Corporation. Originally part of the Marconi radio system, the one-time Synanon compound was purchased by the California State Parks Foundation with help from the Buck Trust and given to the state.

Concessionaires and volunteer associations might produce ideas for returning life to the state's vast collection of under-utilized and neglected historic buildings through creative reuse. Blaine Lamb, former chief of the Archaeology, History and Museums Division at the department, told the Commission that most of the park system's historic buildings have been abandoned, or used for storage or some other low-priority purpose. Said Mr. Lamb in written testimony to the Commission, "Even if it achieves a stable income, the department will not be able to afford the millions of dollars it will take to revive our historic resources. Repurposing and reusing these historic buildings and structures in partnership with commercial and community interests, therefore, appears as the most likely and cost effective solution to the current deferred maintenance debacle."

State Park Concessions: Top Moneymakers

California state park concessionaires grossed $96.7 million in 2010-11. Just 10 concessions produced two-thirds of the $13.4 million state share of concession revenue for the fiscal year.

- Old Town San Diego State Historic Park, $2.2 million
- Asilomar Conference Grounds, $1.9 million
- Hearst San Simeon State Historic Monument, $1.1 million
- Big Sur State Park, $759,150
- California State Parks Online Store, $705,113
- Candlestick State Recreation Area, $597,126
- Lake Valley State Recreation Area-Lake Tahoe Golf Course, $503,998
- Mt. San Jacinto Tramway, $412,332
- Folsom Lake Marina, $321,785
- American River Concession Outfitters, $250,917

Moneymakers by category:

- Restaurants and catering, $3.5 million
- Retail sales and gifts, $1.9 million
- Lodging, $1.8 million
- Parking lot management, $793,880
- Aquatic sports and services, $604,420
- Golf courses, $597,530
- Marina operations, $585,470
- Camp stores, $346,920
- Snackbars, beachstands, mobile food services, $322,524
- Equestrian activities, $132,274

Source: Department of Parks and Recreation. "Concessions Annual Report Fiscal Year 2010-2011." http://www.parks.ca.gov/pages/22374/files/annual_report_2010-2011.pdf. Accessed September 19, 2012.

Contracts with Private Park Operators

While concessionaires are increasingly a fixture in operating individual parts of the park system, the department has been reluctant to allow private contractors to run entire parks and campgrounds as the U.S. Forest Service has for several decades. In a 1990s pilot project, the state, under Governor Pete Wilson, issued its first contract with a private for-profit concessionaire, Palo Alto-based California Land Management Services Corp., to operate four state parks: Moss Landing State Beach, Limekiln State Park, Caswell Memorial State Park and Turlock Lake State Recreation Area. The pilot operation, born of

severe financial stresses on the state and the department, faltered when Governor Gray Davis halved park fees during the dot.com boom; the private operator couldn't sustain the operation with the reduced revenues.[82]

During the 2012 closure crisis, the department invited new proposals and issued five-year contracts with private companies to operate entire state parks. The agreements are believed to be the only full-park contracts in existence within U.S. state park systems. Under the contracts, American Land & Leisure of Orem, Utah, has begun operating three state recreation areas for the department: 336-acre Brannan Island in Sacramento County, 228-acre Turlock Lake with 26 miles of Stanislaus County shoreline, and 428-acre Woodson Bridge in Tehama County. American Land & Leisure operates 400 public and private campgrounds throughout the United States for the U.S. Forest Service, Pacific Gas & Electric and others.[83]

The department similarly issued a five-year contract to Templeton-based Parks Management Company to operate the 716-acre Limekiln State Park on the Big Sur coastline of Monterey County. Parks Management Company operates campgrounds, day use areas, marinas and RV resorts throughout California. Under the agreements, both companies provide minimum walk-around park security with options to call in the county sheriff's department for assistance. Both also pay a percentage of their park revenues to the department, which uses the proceeds for maintenance and repairs of those individual parks.[84]

The California Department of Parks and Recreation has not enthusiastically embraced such arrangements, whether camping alternatives, corporate sponsorships or allowing private companies to operate parks. It only engaged such outside groups when forced by budget crises. But throughout California, private companies have been working with federal recreation agencies to provide camping and other outdoor recreation opportunities for years. In the process, they've established track records that should allow California park leaders to make smart choices as they choose partners. At a November 2012 conference on public-private partnerships, an American Land & Leisure official stressed the groundbreaking nature of the contract. Many private campground and park operators believe the nation's troubled state park systems represent a sizeable business opportunity beyond their current park management contracts with the U.S. Forest Service, Bureau of Land Management, Army Corps of Engineers, PG&E and other utilities, local governments and water districts.

Many of these agencies concluded years ago that contracting out appropriate parks to private operators is less expensive than having

government provide the service. Concessionaires provide lower-cost operations models through more extensive use of seasonal staff, though the state has long relied on seasonal workers. The private firms generate revenues from gate fees and use them to make improvements that bring more visitors to parks.

Longer-term concession contracts provide longer income streams and, with them, opportunities to improve park infrastructure, expand lodging alternatives and address deferred maintenance. At Siskiyou County's McArthur-Burney Falls Memorial State Park, for example, Arizona-based Recreation Resource Management spent nearly $2 million to install 24 cabins in 2007 under a 20-year contract with California state parks. The long contract enables RRM to recoup its investment costs and returns the cabins – maintained according to a performance contract – to state ownership at the end.[85] These kinds of private contracts increasingly represent a management option not only for the department, but for the non-profits and cooperating associations that have rescued and begun operating state parks proposed for closure in 2012.

Within the department, and among some groups of park users, there is considerable resistance to greater involvement by for-profit concessions. They raise an appropriate question of how far the state can go without fundamentally changing the park experience. Department managers, former employees and park system partners have told the Commission that contracting out operations is a tough sell to employees who see their jobs as protecting the state's natural treasures, curating its cultural and historic assets and serving as interpretive guides to visitors. Moreover, greater involvement by outside operators may ultimately come at the expense of state jobs.

Many also charge that private firms will cherry pick the most profitable parts of a park system, putting potential taxpayer benefits in their private pockets while leaving the state to manage those without potential for revenues. Other government agencies work to prevent this by bundling less-visited parks with better performers when seeking management contracts. Concerns exist, nonetheless, that allowing private operators to experiment during a time of severe financial stress may lead to their eventual large-scale entry into California state parks.

Concession operators make the case that the state continues to control the park environment and ambience through its contracting process. Concern regarding cherry picking is more a criticism of poor public contracting, they say, than of concessionaires. Nothing is allowed, they say, beyond what the state specifies in the agreement. Most acknowledge that they currently have few people on staff qualified to protect natural resources, handle serious law enforcement issues or

even, in many cases, to provide interpretive and educational services. Those functions generally are best left to the state, they say. Private companies, sensitive to political controversy, have begun touting their services as "public-private partnerships."

As the Commission learned in its 2010 infrastructure finance study, the term "public-private partnership" covers a broad spectrum of arrangements. The state can benefit through such arrangements as long as it knows in advance what it wants to achieve, properly identifies the risks involved and takes a sophisticated approach to developing its contracts with its partners (including hiring outside negotiating expertise when necessary). Securing the necessary expertise is critical to avoiding contract mistakes.

Outdoor Recreation Industry

An increasingly powerful and wealthy outdoor recreation industry offers new possibilities for California state parks to attract new visitors and fresh revenue to parks and their surrounding communities. California state parks could benefit with little state investment from new alliances with this recession-resistant outdoors industry that caters to mountain bikers, hikers, climbers and trekkers. In 2011, Americans spent an estimated $645.6 billion on direct outdoor recreation – more than they spent on pharmaceuticals or motor vehicles and parts, according to the Outdoor Industry Association.[86] The Western Governors' Association reports that 40 percent of that spending – approximately $255 billion – occurred in Western states and generated approximately $15 billion each in federal and state taxes.[87]

Recreation industry leaders realize the value of partnerships that are becoming an increasing part of the park management model. During the Commission's study process, industry representatives indicated eagerness for closer partnerships and cost-sharing with the state park system. Industry leaders such as Peter Metcalf, chief executive officer and president of Utah-based Black Diamond Equipment, noted that the "outdoor industry's ability to create those economic benefits depends on the health of our public lands for its continued success. As human-powered sports participants, access to well-preserved landscapes including wilderness, wild lands and free-flowing rivers is essential. And we need those places to remain in their natural undeveloped state."[88]

Mountain biking interests especially appear willing to work with state parks to build, maintain and manage mountain biking trails. In Humboldt County, a partnership between the International Mountain Biking Association and the U.S. Bureau of Land Management recently

built the Paradise Royale Trail in the King Range National Conservation Area. The trail has attracted thousands of new visitors, marking an important transformation of the area from a resource-based economy to a recreation-based economy.[89] Simon Dunne, global advocacy manager for Morgan Hill-based Specialized Bicycle Components, told Commission staff he believes bikers would pay up to $10 to state parks to ride a similar "destination" bike trail, if built, at Henry Coe State Park in Santa Clara County. Mountain bikes generate controversy, however, and are not always welcome when they share trails with hikers and equestrians.

The Sierra Club's Sierra Club Outings program caters to outdoor lovers, as well, offering service trips (volunteer vacations) to California state parks, including one for $545 to help restore habitat area in Anza Borrego State Park and another for $525 to restore habitat and trails at Pfeiffer Big Sur State Park.[90] These represent excellent opportunities for California state parks to showcase their natural areas at the same time they tap quality volunteer assistance. These cooperative efforts are encouraging signs for the state park system. Outside of the state park system, the non-profit also offers supported trekking adventures and other outings that do not have a service component.

Conclusion

The potential for a renaissance in California state parks, through new partnerships or many of the possibilities sketched above, will depend on a strong and stable financial base. Building from that base through revenue generated from the department's own activities will require tools for accurate up-to-the-minute accounting, reporting and forecasting. This will help the department make long-term plans and form partnerships based on its own cost and revenue data and market research. It will also make the department more transparent. Today, the California economy is improving and the state budget appears to be on a stable course. State parks require a funding commitment from this generation of government leaders to honor and match that of earlier state leaders who built and nourished the new system. That should start with a General Fund allocation that is stable from year to year. State parks are above all a public good that require some level of public funding.

The Legislature has agreed to allow park district managers to keep a portion of revenues they generate through creative entrepreneurial strategies. Being able to keep their revenues presents fresh opportunity for district managers to innovate – whether with a camper training program, snow shoe races, orienteering events, Dutch oven cooking classes or lakeside weddings. This strategy also presents stronger opportunities for longer-term projects, creating a funding source for

adaptive reuse of historic buildings or gardens on state park sites, whether using the adobe grounds of Pio Pico State Historic Park for quinceañera parties or reworking historic buildings for conference or education venues.

Expectations that the department live more off self-generating revenues will require preparation of specific sustainability plans for these purposes. Financial sustainability plans must be prepared with input from outside partners and outline detailed financial goals. These plans will add detail and accountability to help individual parks reach their potential. Under a sustainability plan, for instance, deferring maintenance will be viewed less as a way to cope with tight budgets and more as a liability that damages a park's reputation, visitor appeal and bottom line.

The department and its leaders have obligations as well: They must begin the process of transforming the department's culture and become more entrepreneurial. In addition to protecting natural, cultural and historic resources, the department must listen to new ideas from existing and potential partners. The department must engage ideas that have the potential to reinvigorate parks and offer new ways to share cultural and historical assets, just as it seeks opportunities to revitalize decaying historic buildings. Creative reuse of a building might not be preservation in its purest sense, but neither is neglect. It is equally important that the Legislature and administration back their request for greater revenue generation by providing the department with the resources and flexibility to obtain and use modern business tools and flexible budgeting.

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.
- 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. 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.

Creating A Broader Outlook

The department's current staffing structure reflects a time when the department, and the park system, operated largely in a self-contained sphere, and performed most of its functions with state employees in a range of civil service classifications. The structure also reflects a funding stream heavily reliant on a stable level of General Fund dollars, with little need to either generate revenue or invest that revenue in ways that could produce more revenue or support programs taken for granted in an environment of virtually guaranteed funding.

The state's personnel system makes it extremely difficult to change the department's staffing model. But with employee costs representing 55 percent of the department's operating budget, it is impossible to separate the department's personnel structure from the operating model which signaled its failure with the decision to close 70 parks. The operating model was unsustainable with the money available to the department. So too is the department's personnel structure.

Governor Brown has found a proven leader in the new director, Major General Anthony Jackson, who now heads an executive team of top managers from other departments. If the department is to make the transition to a new revenue-driven operating model, however, it will need more flexibility than the present system provides. The department's executives will need to be able to hire and promote managers and specialists who can provide the experience and expertise the department will need to grow its revenues in the service of sustaining its mission.

In the short term, it can make significant strides with a small number of key job classification changes. Employee shortages in strategically important positions can be offset if more of the system's parks are operated by management groups, joint powers authorities, or consortiums that allow the department to staff those parks with fewer state employees. This operating model already is established in the park system, and has accelerated with the takeover of parks by non-profit groups, concessionaires and other park systems as part of the effort to keep open parks slated for closure.

The park system's multiplicity of missions requires a great diversity of professional backgrounds to protect wildlife habitat, oversee renovation of historic properties for new uses, provide first aid to injured visitors,

analyze food service proposals by concessionaires and help visitors understand what they are seeing. The Department of Parks and Recreation enlists a variety of job classifications to fulfill these missions, including peace officer park rangers, archaeologists, environmental scientists, maintenance workers, interpreters, historians, accountants, administrators, planners and lifeguards.

On the daily operations front, department staffers are tasked with creating a welcoming and safe atmosphere for park visitors who number in the millions each year. Many department jobs are rooted in major tasks of protecting public safety and park resources. Many others involve the small yet vital tasks of hospitality, such as keeping bathrooms clean, removing litter from trails and staging campfire events and overseeing gift shops.

At the management level, a cadre of state park and district superintendents report up the chain of command with information and decisions necessary to guide the 1.5 million-acre park system. These staffers address larger questions of income versus necessary expenses in individual parks, as well as maintenance priorities and relations with local communities, while they ensure protection of visitors and park resources. At headquarters, senior managers make still broader decisions as they oversee policy questions, plan for the park system's future and coordinate the multi-dimensional issues of a park system that operates simultaneously as a business enterprise, land management agency, large-scale history, cultural and archaeology museum, wildlife conservationist and hospitality provider.

For the length of its nearly nine-decade history, the many elements of the California state park system have been held together through a generalist mentality rooted in the jack-of-all-trades traditional park ranger. However, this structure is proving to be obsolete and even a hindrance as the department contends with becoming a revenue-driven enterprise operation, adjusting its operating model and coordinating larger numbers of non-state players, non-profit associations and new co-partners in joint management efforts.

Many new, specialized skill sets required to meet these new complexities presently do not exist within the department. Nor can the department easily recruit from outside to obtain broader management backgrounds and enterprise skills to build and sustain a new operating model for state parks.

Parks and Recreation Commission Has New Duties

As part of the reforms introduced in 2012, legislation was signed that increased the role of the nine-member State Park and Recreation Commission. The commission has been largely moribund for years, despite its dominant role early in the park system's history. In recent years, its members met irregularly, and though it has long had the statutory duty to review general plans for individual parks in the system, it has not been in the position to initiate general plan updates. As a result, many parks' general plans are decades old.

One reform enacted in 2012, AB 1478 (Blumenfield), specified certain sets of parks-relevant expertise to help guide the department in the future, and importantly, added two legislators as ex-officio members. It also requires the commission to assess and evaluate the park system's deferred obligations, such as its maintenance backlog, and requires the commission to conduct an annual workshop on the department's budget and capital outlay plans.

A second reform, AB 1589 (Huffman), asks the commission to conduct an independent assessment of state parks and make recommendations to the Governor and Legislature and make future management, planning and funding proposals that will ensure the long-term sustainability of the state park system.

Both AB 1478 and 1589 direct the department to develop an action plan for increasing revenues in state parks.

The purpose of the legislation was to increase public oversight and public input into the department's operations and performance as a way to rebuild public trust. The legislation also set out guideposts for the department to propel it to sustainability through greater revenue generation.

Given the rancor and distrust generated by the internal process used to create the list of parks that were to be closed, and the manner in which the closure list was communicated, the state could benefit from a more public process for assessing the statewide significance of parks currently in the state's collection. The credibility of the process could be bolstered if recommendations for the criteria for this assessment were developed independently of the department. This could be a role for the park commission or for the expert advisory council also created by the 2012 legislation. The system-wide assessment is critical to the department's long-term sustainability. Absent specific direction by the Legislature, however, it is likely to be assigned a low priority.

Director Jackson has indicated that he plans to develop performance goals for the department as it implements changes to its accounting and financial reporting procedures, and will develop performance goals for the department's progress in its transition to a more revenue-driven funding model. Without a public accountability mechanism, however, the department's outside partners, who have raised money and mobilized to rescue threatened state parks, have no guarantee that performance results will be publicly reported. The park commission provides such a forum.

Finally, in the recent reform legislation and in the Governor's appointment of Director Jackson, the Governor and Legislature have made clear that the commissions are designed to advise and report to the director, while offering a forum to hear from the public. With the addition of the Boating and Waterways Commission under the department, the director will be advised by four separate appointed boards, three of which have responsibility for specific activities of separate divisions within the department. Though their different perspectives create a valuable diversity of views, the multitude of commissions creates the potential for conflicting signals and recommendations. The director and the Park and Recreation Commission would benefit from greater clarity and a more defined hierarchy of the department's many commissions.

A Frozen Staffing Structure

At the department level, a key challenge has been the gradual hardening of the department's staffing structure, which has increased costs, narrowed the operating vision for state parks and fostered an organizational culture that has alienated partners. The distribution of employees among diverse job classifications is a sign of the increasing specialization and professionalization of various positions. Most critically, the notion of a generalist ranger, despite the potency of the image, is increasingly the exception, as public safety has grown both as a share of ranger training and of the job's responsibilities.

Approximately 750 park rangers and park superintendents represent the largest category of field staff in state parks, receiving generally higher pay and more generous benefits than other field categories of maintenance workers, historians, scientists, interpreters and archaeologists.

Sworn peace officer park rangers represent 34 percent of the department's full- and part-time personnel costs while representing 27 percent of full-and part-time staff.[91]

Because of their relative numbers, and the requirement that park superintendents have law enforcement training, the department's rangers have exerted a disproportionate influence on the department's culture, and dominate management ranks. This has contributed to a department culture that emphasizes public safety and law enforcement above the needs of other vital resource, cultural and historic issues at the core of the department's mission.

Inside the department, a self-described "specialization bias" toward law enforcement and its attendant high costs for personnel, equipment, training and peace officer retirements has long been recognized as a liability. It has nonetheless prevailed and represents a major constraint to moving the department toward the more open systems, partnerships, mutual cooperation and joint management that is increasingly becoming the new culture of public park sector management nationwide.

The department began its transition to a law enforcement agency amid an increase in reported crimes in the 1960s and 1970s. A 1968 report by the State Commission on Peace Officer Standards and Training (POST) declared that "the Park System is ill-equipped and unprepared, both in terms of trained personnel and essential equipment, to cope with the problems of crime and disorder in the Parks." The report added, "In many of the parks the ranger faces the same dangers as a police officer who is working on the city streets."[92] The department soon became POST-certified with rangers receiving standard Peace Officer Standards and Training and eventually required to carry a variety of weapons, including firearms. In the late 1960s, the department also linked its management development program to the Ranger Trainee program.[93]

Today, newly-hired state park rangers receive 20 weeks of standard California police officer training through POST and two weeks of emergency medical responder training. They spend an additional six weeks studying natural and cultural resources, state park history, philosophy and interpretation.[94] Providing 28 weeks of training for a new ranger costs the department approximately $18,000 to $20,000. The department incurs other annual peace officer training costs to keep rangers current with new Peace Officer Standards and Training requirements. The ratio of police training required by POST to park operations training now exceeds 3:1.

For park staff seeking higher rank, incentives for promotion are largely aligned with being a peace officer and taking peace officer training. The highest salaries, best benefits and most attractive management jobs in the state park system are most accessible to those who obtain Peace Officer Standards and Training certification. Typically, a state peace officer park ranger advances through the ranks of supervising ranger,

sector superintendent and five levels of park superintendent with salary scales that top out at more than $117,000 annually. With incentives, some superintendents can make more than the director, currently paid $150,112.[95] In contrast, a senior non-sworn environmental scientist salary peaks at $78,900; for an historian, top pay is $75,300.[96]

As an emphasis on law enforcement training increased during the past 30 years, job specifications for state park superintendents – the traditional training ground for executive management positions – placed greater emphasis on the public safety aspects of the position. Executive management positions within the department also came to require, in nearly all cases, taking POST law enforcement training as a condition of accepting the position.

Internally, many non-sworn department staffers perceive disinterest from peace officer management in broader resource, history and archaeological issues. Many believe outlays required to support training, pay and benefits for a large law enforcement contingent displaces spending on their areas.

Shortcomings in department information systems have reduced the quality of crime statistics that could provide an accurate and up-to-date basis for assessing the department's overall public safety needs. This lack of data makes it difficult to analyze what level of law enforcement prioritization is justified or appropriate for an overextended department, or how existing resources can be most efficiently deployed.

Focus on Law Enforcement Hinders Broader Enterprise Perspective

Ruskin K. Hartley, the then-executive director of Save the Redwoods League, told Commissioners that the culture issue became an even greater challenge when a department staffed with managers trained in law enforcement suddenly was asked "to become innovative, entrepreneurial and partnership-focused in an effort to forestall the closing of 70 parks." Mr. Hartley told the Commission that making such a wholesale change in focus would require entirely different management and policy skills that the department simply did not possess.

"For a generation, park managers have been drawn from the ranks of badged park rangers," Mr. Hartley said. "And while no one questions the need for public safety in parks, or that there aren't innovative, entrepreneurial, partnership-focused peace officers within the department, it has meant that an entire class of potential park managers have been overlooked."

At an August 16, 2012, Commission advisory committee meeting, several parks stakeholders and department staffers told the Commission that the department's practice of requiring law enforcement training for promotional opportunities is a serious barrier to attracting viable management candidates with other interests and specialties. A vice president of a state park peace officers management association countered that half of the department's park district superintendents started their careers in non-ranger specialties, then took state peace officer training to become eligible for higher-paying management job classifications.

During Commission hearings and in staff interviews, the state park system's outside partners described a rigid, at times authoritarian culture in which district superintendents and headquarters staff are resistant to alternative management concepts or innovations that could generate revenue or streamline operations. At the Commission's March 27, 2012, hearing on the park system, Carolyn Schoff, president of the California League of Park Associations, testified to the Commission that the department "has been a culture of enforcement rather than innovation, and our current economic situation requires innovation."

High Costs of the Status Quo

Many have suggested that the preponderance of peace officers in state park field operations has become too costly, financially and otherwise.

At the Commission's June 26, 2012, hearing Cathy Taylor, then the department's Capital District superintendent for several state historic parks and museums, testified that costs of hiring, training and equipping peace officer rangers represent the department's "highest investment of time and money" and suggest that public safety is its highest priority. Ms. Taylor worked at the time in a Career Executive Assignment position and was the department's only non-acting and non-sworn park superintendent. "No other classifications in the department get this level of investment," she testified to the Commission. "In the case of museums and state historic parks, we do not invest an equal or proportional value in recruiting and training appropriate classifications for museum work, or to prepare staff for management positions." Ms. Taylor testified that while "public safety is still one of our core functions" the department must remember what business it is in and "staff it in a balanced and efficient manner." She told the Commission, "I believe we are in the tourism business, not the law enforcement business."

An internal department study in the 1990s asked whether the department had "subjected itself to external control by an organization

(POST) that arguably has little understanding of the mission of a resource protection agency such as ours."[97]

In its March 2, 2012, report, "Strategies to Maintain California's Park System," the Legislative Analyst's Office (LAO) suggested that the department could find "savings in the low millions of dollars annually" by moving more work done by peace officer park rangers to other job classifications. The report noted that while many tasks in state parks, such as making arrests and responding to emergencies, require the services of a park ranger, many other jobs, such as supervising staff, leading tours and providing interpretation or information for visitors, do not. The LAO report suggested that many park jobs currently done by peace officer rangers can be assigned to non-sworn department employees. "This would enable DPR (Department of Parks and Recreation) to hire fewer sworn staff and more non-sworn staff, who typically require less training and lower compensation," the LAO said.[98]

In June 2012, the Legislature and Governor raised their own concerns about the issue with the passage and signing of SB 1018. The law included Legislative intent language for the department "to reduce the overall number of peace officers functioning in non-peace officer positions." The Legislature, also in intent language, signaled that the department should broaden its management culture and ability for non-sworn staff to move up in the department by adding new non-peace officer job classifications that "allow for a concurrent pathway for non-peace officer status personnel." The legislation, however, lacked mandatory action language.[99]

For October 2012, the department reported that 17 percent of its ranger positions were currently vacant, though ranger employee associations said the rate has been as high as 30 percent.[100] Some rangers leave for better-paying city or county law enforcement jobs, though a department analysis of its ranger retention rate shows that 82.5 percent of new rangers receiving POST-certified training from 2002 through 2012 are still with the department. During the 10-year timeframe, the department graduated 388 rangers from training and lost 68 rangers to other agencies. The largest departure rates occurred in the 2003-2005 classes at a time when the California economy was booming and government agencies at all levels experienced strong revenue growth.[101]

In 2012, the department's then-acting director, Ruth Coleman, reported to the State Park and Recreation Commission that it was working to create a Career Executive Assignment "park manager" classification that would begin to expand management opportunities for non-sworn department staff. While the California Department of Human Resources approved the new classification in concept, it has not become final and

Director Coleman resigned later in the year. In 2013, members of the department's new executive team said the department continues internal discussions about a new park manager job classification and is moving toward a new decision.

The status quo in the department has vigorous defenders. Professional associations that represent state park rangers told the Commission that park rangers, a traditional job description that involves law enforcement, administration, interpretation and knowledge of natural and historical resources, have come to dominate the park superintendent and executive ranks of the department precisely because they are well-rounded generalists and embody a wide range of park-related skills. Members and park rangers repeatedly described their pride in the ranger uniform and badge, and the strong sense of the heritage of protection and service associated with it.

At the Commission's August 16, 2012, advisory committee meeting, a participant from a peace officer management association said rangers might unfairly suffer unintended consequences of opening new alternate career tracks to management. Peace officer rangers might be shut out of promotional opportunities, the participant said. New job classification specifications have potential to greatly narrow the perceptions of a ranger's abilities to being "just a badge," the participant said.

Rangers interviewed by Commission staff also expressed concern about being supervised by non-sworn managers who lack law enforcement experience. Rangers say their law enforcement work requires split-second decisions that can be easily misunderstood by people who have never had that law enforcement experience. The ranger said, "If a complaint gets to a superintendent's desk and they've never stood on a smoky beach in July and had people throw bottles at them, if you have a superintendent who's never been in that scenario about having to use force on people, they may look at you like you're a jackboot thug."

Rangers contend that the generalist ranger model – embodied in one ranger's written account as that "fabled ranger of yore who could identify every critter in the park, knew all the trails, but could also get Boy Scouts off cliffs and drunks off the road"[102] – still works best for a statewide park system characterized by widely scattered, often-isolated geography and pressing needs for public safety.

Department's 1995 GOLD Team: "Specialization Bias" Toward Law Enforcement

The department has long recognized the potential for subtle or overt law enforcement bias in its management culture. In 1995, the department's Group for Organizational Leadership Development, or GOLD Team, recommended reclassifying park manager positions to Career Executive Assignment positions to broaden the department's culture and lessen the influence of law enforcement on department decision-making.

Then-department Director Donald W. Murphy charged the 10-member GOLD Team with analyzing the desirable traits of state park managers and comparing them to the narrower public safety-oriented class specifications the department used to hire them.

The report recommended new job specifications that reflected a wider range of desirable traits for the park manager position. The internal authors also cited "a subtle, but significant 'law enforcement paradigm' that now permeates the Department's management structure and interferes with our managers' ability to perform their roles with the necessary balance and focus." Among the concerns:

- "Fiscally, the impact of our embracing the law enforcement role in the manner and to the extent that we have, has been striking: both externally-mandated and internally-generated costs have increased exponentially over the past three decades until today the law enforcement program has become the single most expensive program in the department.
- "We believe the dominance of such a perspective interferes with these managers' ability to administer objectively and with balance. Given finite financial and staff resources, for example, if a manager is operating in this paradigm, programs more long-term or 'less urgent,' such as resource management or interpretation, suffer in the competition for funds.
- "As long as its management is operating within a paradigm that supports what we believe is a subordinate program to that of resource management and education, the Department's ability to achieve its mission will be continued to be impaired.
- "The Department must be able to draw from the best qualified candidate pool for its managers. We believe that retaining the requirement that all superintendents be peace officers severely restricts its ability to do this … The fact remains that many otherwise highly-qualified individuals have been excluded from upper-level management positions in this Department because of this requirement either because they cannot or choose not to meet this requirement.
- "That the department has become as wedded to its law enforcement program as it has, that the majority of its senior managers continue to develop from and operate within this paradigm, and that this marriage has been at the expense of other programs at least of equal importance, causes us to have grave concerns to our future ability to serve as California's primary resource stewards."

The GOLD Team wrestled with contentions by peace officer rangers that making park superintendents into Career Executive Assignments would cause peace officers not to compete – because they would lose public safety retirement benefits, particularly the 3 percent at 50 retirement benefit that provides 3 percent of their highest salary for every year served. The team's analysis concluded:

- "There are possible mitigations that would lessen this possibility that were not extensively explored in our deliberations. But regardless, we believe that the management of this Department deserves to be driven by more significant consideration than the loss of retirement benefits for a relatively small group of employees."

Source: California Department of Parks and Recreation. December 19, 1995. "GOLD Team. Group for Organizational Development." On file.

At a Commission advisory committee meeting on public safety, one ranger participant said that declining state revenues would make it difficult for the state to afford a specialized ranger corps that does only law enforcement. The participant said such specialization would actually result in a need for additional staff to do general work no longer performed by a specialized law enforcement ranger.

Rangers at the meeting, who favored a continuation of the generalist park ranger model, also said that using the same personnel structure in each park – having a specialized law enforcement ranger and/or an interpretive ranger – is not effective for the state, as each park has different staffing needs. In large, highly-visited state parks rangers may spend nearly all their time on law enforcement issues, but in small, less-visited parks a ranger may spend 60 percent of the time on law enforcement and the rest on park administration, routine work and interpretation, they said.

At the advisory meeting, Scott Elliott, then president of the State Park Peace Officer Management Association, said that because of specialization, the department has already evolved toward the law enforcement ranger staffing model used by the National Park Service. For long-time generalist rangers, it has become more difficult to manage natural resources under processes that have become increasingly technical and complicated, with requirements for environmental impact reports and extensive permitting documents. A new class of environmental scientists now largely conducts some of this work formerly done by park rangers.

His comments echo a 2007 department task force study of the generalist ranger model, which concluded that state park rangers no longer had much time for resource management because they were consumed by increasingly complex and time-consuming law enforcement and administrative duties. The study found that the desire of many park rangers to provide high-quality interpretative services routinely fell short due to demands of public safety and administration.

Nonetheless, the task force concluded that "the generalist model continues to be the viable solution for the statewide delivery of Visitor Services' core program responsibilities," including public safety.[103] That view, however, may no longer be as true, following the deterioration of the General Fund caused by the financial crisis that started that year, the later adoption of a wide range of operating models among the 70 parks threatened with closure.

Other Models for Public Safety in Parks

Ensuring the safety of the public and of park employees is central to the mission of the department. The public has to feel safe to be willing to visit parks, and employees properly expect to work in safe environments. State government, as the operator of these public parks, has an obligation to provide the highest level of public safety on its properties. Given the department's experiences with having other agencies provide public safety services, the department should assess other options for public safety as it considers how to integrate a variety of park operating arrangements.

The Commission examined other models of police protection used in public park systems in California and throughout the nation. Many systems have evolved beyond the generalist ranger model used in California state parks. Among them are the nation's largest park management agency, the U.S. National Park Service, and one of California's largest park management districts, the East Bay Regional Park District.

The National Park Service maintains an open, flexible career track that taps a variety of backgrounds for national park superintendent positions. This approach broadens the agency's management outlook, and deepens its bench for higher management jobs. Scott Wanek, chief ranger of the National Park Service's San Francisco-based Pacific West Region, told the Commission that the service's park managers come from all sectors of the agency, including resource management, historic site management, administration and law enforcement. Most national park superintendents are not sworn peace officers, as they are in the California state park system. National park superintendents who have no previous law enforcement experience attend a two-week training program at the Georgia-based Federal Law Enforcement Training Center to become familiar with the national park law enforcement activities they supervise.[104]

The National Park Service has split its former generalist ranger classification into three categories: an Enforcement Ranger to provide public safety in 398 national park areas, an Interpretation Ranger to conduct educational programs and a Protection/Interpretation Ranger to do both. Park service rangers originally had the same generalist job classification, which included law enforcement responsibilities. That changed in the 1970s following a series of events that included a public disturbance in Yosemite and the murder of a national park ranger at Point Reyes National Seashore. The violence prompted the park service to professionalize a core group of enforcement rangers and provide them a mandatory program of intensive law enforcement training. Those

rangers receive higher pay and better retirement benefits than the two other ranger categories, including public safety retirement after 20 years.

The National Park Service (NPS) also maintains a separate division of park police protection called the National Park Police. Its members patrol national parks in San Francisco, Washington, D.C., and New York City. They are recognizable by their dark pants, light blue shirts and helmets. The NPS park police have responsibilities for crowd control during demonstrations and public safety at iconic national monuments such as the Statue of Liberty, Washington Monument, Lincoln Memorial and the Presidio in San Francisco. They also provide protection for dignitaries such as visiting heads of state. There are approximately 650 park police officers nationally.[105]

The East Bay Regional Park District, based in Oakland, created a separate park police unit in 1969. Chief of Police Timothy Anderson told the Commission that the 113,000-acre park district has 65 sworn police officers who work alongside 300 park rangers in the system's 65 parks. Annual salaries for district park police officers range from $64,332 to $80,280. Park rangers receive $41,496 to $56,316.[106]

During a Commission advisory committee meeting on public safety, Chief Anderson said that the district's civilian park rangers and park police officers represent two separate classifications of employees. Park rangers are not sworn peace officers. Rangers wear tan and green uniforms to distinguish themselves from park police, who wear darker uniforms. Civilian park rangers are responsible for maintenance, fee collection and warnings for low-level violations of park policy that usually relate to bicycles and dogs being off leash. A specialized unit of the civilian ranger staff also handles interpretation as its sole function. Anderson described relations between park police officers and other staffers as "very effective." All share a common radio frequency while working. The district also conducts monthly staff meetings hosted by supervising park rangers to share information across all job classes, including sworn park police and civilian park rangers.

Chief Anderson said the park police unit is responsible for patrolling parks, ensuring safety of the public and responding to gangs, drug and weapons violations and heavily-armed marijuana-growing operations. The goal, he told the Commission, is to keep parks safe and attractive, which requires keeping them clean and free of trash, graffiti and gangs. Anderson said the park police budget represents $23.5 million of the district's $100 million in annual spending.

The police unit is one of six operating divisions within the park district, and is overseen by the district's civilian general manager. Police officers

do not manage individual parks or any other sectors of the regional park district, said Chief Anderson, who reports to the civilian general manager of the district. The district also employs civilian community service officers within the park police department. They handle the dispatch of park police officers and specialists for crime scene investigations that are often related to auto burglaries. These unarmed, non-sworn community service officers assist patrol officers with traffic control, crowd management and misdemeanor property crime reports. The district also relies on volunteers to monitor park trails and report suspicious or illegal activity. For crimes such as marijuana cultivation, district police collect intelligence and seek assistance from federal authorities to avoid placing park staff in harm's way.

Two other models used by large public park systems include:

- ***The New York State Park Police.*** The New York State Office of Parks, Recreation and Historic Preservation uses a specialized New York State Park Police unit. The unit has 210 police officers who receive higher salaries than the civilian generalist rangers who work in 178 New York state parks. Richard K. O' Donnell, director of law enforcement for the park police unit, told Commission staff that severe state budget constraints have shrunk the force from 315 to 210 officers in recent years. O'Donnell said higher salaries at other law enforcement agencies also prompt frequent departures.[107] New Jersey, Florida, Connecticut and Virginia also have varying versions of state park police units to provide public safety.
- ***Los Angeles County.*** The Los Angeles County Department of Parks and Recreation provides law enforcement for 177 county parks, golf courses and special event venues through a Parks Bureau within the Los Angeles County Sheriff's Department. The sheriff's department created the 200-employee Parks Bureau in 2010 to replace law enforcement services formerly provided by the park department's Office of Public Safety. Parks Bureau Captain Stephen Smith told Commission staff that the new policing model has cut the county's law enforcement costs and replaces a series of park policing experiments with security guards, unarmed county park rangers and local police departments. The Parks Bureau recruits trained officers from the department's patrol unit. The bureau uses mounted horse and bike patrol units to supplement coverage by regular squad car units. The Parks Bureau provides no ranger activities. Its sole job is to provide law enforcement, protect park visitors and protect park resources that include items in historic parks.[108]

Two Sonoma County parks on the closure list, Jack London State Park and Sugarloaf Ridge State Park, were rescued by non-profit park associations, which are operating the parks under temporary agreements with the California state park department. Both parks rely on agreements with the Sonoma County Sheriff's Office for public safety. Separately, a private company that has signed agreements to operate three state parks from the closure list, American Land & Leisure, is using a "soft touch" approach, relying on its staff to remind campers of the rules and to observe quiet hours. In these cases, and where others, including the National Park Service, are operating state parks, the state has already effectively moved away from the generalist law enforcement ranger model. In response to staffing reductions in the field, the department has delegated duties such as registration and fee collection to the park aide classification. Declining funding is also pushing state parks superintendents to reclassify vacant park ranger positions to less costly classifications that do routine park work.

The assessment process ultimately should reduce the number of parks that are part of the state system. Many of the remaining parks will be either operated by other park systems, such as the National Park Service, the East Bay Regional Park District, Sonoma County Regional Parks Department, or groups of non-profit organizations, or concessionaires, or combinations. In some cases, these operating arrangements may appear the same for state parks as for former state parks that have been realigned to local government control.

Conclusion

The next two years necessarily will involve a system-wide sorting process as operating agreements expire and new agreements are developed and signed. The department will benefit from this learning process, which is sure to produce successes and failures, only if it applies lessons learned, and at the same time builds its internal capacity to develop more revenue from its operations. As the previous chapter discussed, that will mean adopting new business practices and systems that will allow the department to detail the cost and revenue associated with each service and activity at the individual park level, information currently not available. Assembling and analyzing such information is fundamental to being able to manage more efficiently and innovate more intelligently. It also will provide much needed transparency and accountability.

Developing programs to both draw more visitors and enrich their park experience will require expertise that already exists within the department as well as skill sets for which no job classification yet exists. Some of the needed expertise can be provided by partners, but the

department will need the flexibility and authority to develop new job classifications as required, a process that currently is extremely slow.

In doing so, the department can, and must, start to open up its culture to more effectively embrace the partners the system needs for its survival. Clearly, transforming an organization's culture is difficult and cannot happen overnight. But change has been forced on the department whether it likes it or not. It must adapt or the opportunity provided by its temporary reprieve will be lost and the department will be in worse shape than before. That reprieve came thanks to the swift action and generosity of foundations, volunteer organizations, other federal and local governments and the Legislature. The department must work to reestablish the trust of these groups in the wake of improper actions taken by individuals within the department's ranks.

The new director has said he is willing to be judged by his and the department's performance. The director and department must be given the tools to do so. In addition to better financial management systems, this means the ability to move talented state employees with valuable skills and expertise into positions where they can be the most effective, developing promising staff through training that is aligned with the department's needs and hiring experienced professionals who have the skills and experience the department lacks into positions where they can add immediate value.

The state can take the first steps by creating the job classification of park manager. Ideally, this classification should enable the department both to promote talent from all professional categories – whether maintenance, interpretation, law enforcement or historian – from within the department. It also should allow the department to hire qualified professionals from outside of state service, who have experience in other state or federal park systems, or private sector expertise.

The department's management ranks need a broader range of views and backgrounds. Promotions into management ranks should not be predicated on undergoing law enforcement training. The argument that managers who supervise law enforcement employees need the same law enforcement training as those who work under them is undercut by the experience not only of other public park systems, but city and county government as well.

Public safety is fundamental to the department's mission, but the department can serve this function in ways that better serve its broader mission. The discussion would be greatly aided by an independent assessment of the department's public safety needs, based on up-to-date

crime statistics that can give department leaders a clear picture of what types of crimes happen where.

California needs park rangers. The parks department mission is best served by the generalist ranger who can serve as ambassador and, properly trained, as manager. The department should create a separate ranger classification for law enforcement rangers, informed by the different models used by the National Park Service and regional park systems such as the East Bay Regional Park District. As more of its state parks are operated by non-state organizations, it should explore greater use of memoranda of understanding (MOUs) with local law enforcement, both for state-operated parks and state-owned parks operated by others. Such MOUs would have to reflect local needs and conditions, and should be informed by an analysis of crime statistics.

The department is undergoing tremendous change and will need to build the capacity for continuous change. This will require adapting its training programs to help current and future employees learn how to manage in this new revenue-driven environment and learn how to better manage the process of change itself. An outsized proportion of the department's existing training is devoted to law enforcement. The department should update its training programs to reflect its current and future operational needs, and take advantage of outside training opportunities, such as those offered by the University of California, Merced, National Parks Institute.

The process – and the progress the department will make – requires oversight. Considering the parks' historic relationship with the public, and with non-government organizations, the process requires a forum for public input as well. This is properly the role of the State Park and Recreation Commission, which should be charged with leading the public process to develop criteria for assessing the parks in the state's collection, as well as well as criteria for assessing its cultural and historical assets. It also should be responsible for conducting the public hearings such an assessment will necessitate. The commission should be explicitly designated as the lead of the department's four commissions and in doing so, the Legislature should give consideration to designating the other commissions as advisory bodies to the department divisions they serve.

Above all, the State Park and Recreation Commission should be a place where the public can engage the state to ensure that the department's new course is consistent with its mission to preserve California's natural wonders, provide access and interpretation of the state's cultural and historic treasures, and to provide the opportunity for visitors to learn about themselves and their environment through recreation.

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 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.

The Commission's Study Process

This study represents the Commission's first venture into the realm of California state parks. The process played out against a months-long dramatic background of 70 proposed state park closures that catalyzed rescues of those parks by local communities, friends groups, foundations and other government agencies. The study took place during a time of much turmoil, as well, within the California Department of Parks and Recreation.

From the start, the Commission aimed to look beyond headlines and drama to the state park system's long-term sustainability. Clearly, the 1.5 million-acre state park system is one of the natural and historic treasures of the Golden State. State parks are equally economic engines, landscapes to nourish the human spirit and repositories of the state's history. Californians and other visitors to these parks owe much to visionaries of earlier generations who fought for their existence and found ways to fund their purchases. In preserving such places, Californians largely pioneered the practice of establishing state and national parks, a movement which spread within the space of a century to much of the world.

In framing this study, the Commission focused on how to improve governance of the state park system. The study process examined an array of existing and emerging governance structures used by local and regional park districts, 50 state park systems, the National Park Service and conservancies and trusts throughout the United States and the world. The early 21st century is emerging as time of great innovation in public lands and park management, especially as the ethics of successful nonprofit groups increasingly influence the government sector.

The Commission has also concentrated on identifying stable funding that might decouple state parks from the roller coaster of boom-and-bust budgeting and threats of park closures. The Commission recognized that parks and historic preservation often lose when pitted annually in the budget process against public safety, health and other immediate state responsibilities. State parks throughout the United States are struggling with this reality. The financial crisis of the mid- to late 2000s has everywhere put state park funding on the chopping block. Widespread state budget difficulties triggered by the Great Recession are accelerating a general trend away from public funding toward user fees.

There is much to admire in the Department of Parks and Recreation. Many describe a hard-working, caring culture within the department, one that can readily be pointed toward solutions when guided by vision and leadership. The Commission recognized a long history of accomplishment by a pioneering department in parks management. The department responded to California's 1990s financial downturn with a massive restructuring that trimmed annual operating costs by $10 million. Leaders instituted an award-winning performance management program that made it a leader within California state government. Yet the department finds itself at a similar juncture again today, coping with a new financial crisis.

The Commission recommendations in this report build on work already done by the department and amplify some directions already contemplated in California. Research nationally shows that no other state park system has greatly pushed boundaries or tried something new. Recommendations in this report push California back into the forefront of parks management with hopes of guiding for generations to come.

The Study Process

This study began in March 2012. The findings and recommendations presented in this report are based on oral and written testimony presented during two public hearings, a series of advisory committee meetings, extensive Commission staff research and interviews with more than 100 experts and stakeholders of the California state parks system.

The Commission's first hearing on March 27, 2012, provided an overview of a state park system encountering challenges after years of declining government funding. Experts detailed the park system's financial struggles and deferred maintenance, the potential for privatizing park functions and a need to refocus the Department of Parks and Recreation on innovation and partnerships. Other experts highlighted the positive financial impacts of state parks on the economy.

A second hearing on June 26, 2012, explored the importance of the state park system's historical and cultural resources. Experts testified about the deterioration of historic state parks and sites and discussed governance structures such as trusts which have successfully rehabilitated other historical sites and areas of California. Experts discussed the role of adaptive reuse in preserving historic sites and the obligation of state government to protect the touchstones of California heritage preserved by earlier generations.

The Commission study process included two advisory committee meetings to explore other policy areas with the help of stakeholders. One meeting analyzed public safety in parks and the park ranger staffing and management model. Another examined the potential for alternate management of state parks such as realigning them to other government agencies and negotiating cooperative management agreements with partners.

Throughout this study, Commission staff received much valuable input from interviews with experts throughout the United States in land and parks management, conservation, historic and cultural resources, policing and the business of recreation, tourism and innovation. All gave generously of their time, providing great benefit to the Commission. The findings and recommendations in the report, however, are the Commission's own.

Appendices & Notes

- ✓ ***Public Hearing Witnesses***
- ✓ ***Little Hoover Commission Public Meetings***
- ✓ ***Notes***

Appendix A

Public Hearing Witnesses

Public Hearing on State Parks
March 27, 2012
Sacramento, California

Elizabeth Goldstein, President, California State Parks Foundation

Jack Harrison, Executive Director, California Parks Hospitality Association

Ruskin Hartley, Executive Director and Secretary of the Board of Directors, Save the Redwoods League

Michael Harris, Chief Deputy Director, California Department of Parks and Recreation

Eric Mart, Founder and President, California Land Management Services Corporation

Carolyn Schoff, President, California League of Park Associations; President, The Friends of Pio Pico Inc.

Patrick Tierney, Professor and Chair, Department of Recreation, Parks and Tourism, San Francisco State University

Public Hearing on State Parks
June 26, 2012
Sacramento, California

Stephen J. Farneth, Founding Principal, Architectural Resources Group, Inc.

Jarrell C. Jackman, Executive Director, Santa Barbara Trust for Historic Preservation

Blaine Lamb, Former Chief, Archaeology, History and Museums Division, Department of Parks and Recreation

Craig Middleton, Executive Director, The Presidio Trust

Barclay Ogden, Head Director, Library Preservation Department, University of California, Berkeley

Sarah Sweedler, President and CEO, Fort Ross Conservancy

Catherine A. Taylor, District Superintendent, Capital District State Museums and Historic Parks, Department of Parks and Recreation

Appendix B

Little Hoover Commission Public Meetings

Advisory Committee Meeting on Staffing State Parks Appropriately For a New Era
August 16, 2012
Sacramento, California

Jane Adams, Executive Director, California Park and Recreation Society

Timothy Anderson, Chief of Police, East Bay Regional Park District

Rene Buehl, Ranger Activity Specialist, Pacific West Region, National Park Service

Diane Colborn, Chief Consultant, Assembly Committee on Water, Parks and Wildlife

Robert E. Doyle, General Manager, East Bay Regional Park District

Scott Elliott, President, California State Parks Peace Officer Management Association

Catherine Freeman, Consultant, Senate Committee on Budget and Fiscal Review

Jeffrey Gaffney, District Superintendent, Hungry Valley and Hollister Hills State Vehicle Recreation Areas District, California Department of Parks and Recreation

Nina Gordon, President, California State Park Rangers Association

Doug Haaland, Consultant, Assembly Republican Caucus Office of Policy

Caryl Hart, Chair, State Parks and Recreation Commission; Director, Sonoma County Regional Parks

Ruskin Hartley, Executive Director, Save the Redwoods League

Kathleen Lindahl, California State Parks employee, speaking as private citizen

Scott Liske, President, California State Park Peace Officers Association

Steven McCarthy, Consultant, Senate Committee on Natural Resources and Water

Lia Moore, Analyst, Legislative Analyst's Office

Kathryn Phillips, Director, Sierra Club California

Tracy Verardo-Torres, Vice President, Government Affairs, California State Parks Foundation

Advisory Committee on Realigning State Parks and Negotiating Cooperative Management Agreements
October 31, 2012
Sacramento, California

Jane Adams, Executive Director, California Park and Recreation Society

Christina Batt, Program Officer, S.D. Bechtel, Jr., Foundation

Diane Colborn, Chief Consultant, Assembly Committee on Water, Parks and Wildlife

William Craven, Chief Consultant, Senate Committee on Natural Resources and Water

Robert E. Doyle, General Manager, East Bay Regional Park District

Jeffrey Gaffney, President, California State Park Peace Officers Management Association; District Superintendent, Hungry Valley and Hollister Hills State Vehicle Recreation Areas District, California Department of Parks and Recreation

Nina Gordon, President, California State Park Rangers Association

Russell Guiney, Director, Los Angeles County Department of Parks and Recreation

Doug Haaland, Consultant, Assembly Republican Caucus Office of Policy

Caryl Hart, Chair, State Parks and Recreation Commission; Director, Sonoma County Regional Parks

Steve Johnson, Senior Adviser, Conservation Strategy Group

Lia Moore, Analyst, Legislative Analyst's Office

Armando Quintero, Director of Development, Sierra Nevada Research Institute and National Parks Programs, UC Merced

Rorie Skei, Chief Deputy Director, Santa Monica Mountains Conservancy

Tracy Verardo-Torres, Vice President, Government Affairs, California State Parks Foundation

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108. Stephen M. Smith, Captain, Parks Bureau, Los Angeles County Sheriff's Department. Hollywood, CA. July 11, 2012. Personal Communication. http://shq.lasdnews.net/pages/patrolstation.aspx?id=PKB

Little Hoover Commission Members

Chairman Jonathan Shapiro *(D-Beverly Hills)* Appointed to the Commission by the Senate Rules Committee in April 2010. Writer and producer for FX, HBO and Warner Brothers. Former chief of staff to Lt. Governor Cruz Bustamante, counsel for the law firm of O'Melveny & Myers, federal prosecutor for the U.S. Department of Justice Criminal Division in Washington, D.C., and the Central District of California. Elected Chairman of the Commission in March 2013.

Vice Chairman David A. Schwarz *(R-Beverly Hills)* Appointed to the Commission by Governor Arnold Schwarzenegger in October 2007 and reappointed by Governor Schwarzenegger in December 2010. Partner in the Los Angeles office of Irell & Manella LLP and a member of the firm's litigation workgroup. Former U.S. delegate to the United Nations Human Rights Commission.

Assemblymember Katcho Achadjian (R-San Luis Obispo) Appointed to the Commission by Speaker of the Assembly John Pérez in July 2011. Elected in November 2010 to the 33rd Assembly District and re-elected to the 35th District in November 2012. Represents Arroyo Grande, Atascadero, Grover Beach, Guadalupe, Lompoc, Morrow Bay, Paso Robles, Pismo Beach, San Luis Obispo, Santa Maria and surrounding areas.

Virginia Ellis *(D-Sacramento)* Appointed to the Commission by the Senate Rules Committee in January 2011. Former Sacramento bureau chief for the Los Angeles Times and award-winning political investigative reporter.

Senator Bill Emmerson *(R-Redlands)* Appointed to the Commission by the Senate Rules Committee in February 2013. Elected in June 2010 to represent the 37th Senate District. Re-elected in November 2012 to the 23rd District, representing portions of Los Angeles, Riverside and San Bernardino counties, including Banning, Beaumont, Big Bear Lake, Calimesa, Hemet, Highland, Loma Linda, Menifee, Rancho Cucamonga, Redlands, San Bernardino, San Jacinto and Yucaipa.

Jack Flanigan *(R-Granite Bay)* Appointed to the Commission by Governor Edmund G. Brown Jr. in April 2012. A member of the Flanigan Law Firm. Co-founded California Strategies, a public affairs consulting firm, in 1997.

Daniel W. Hancock *(D-San Ramon)* Appointed to the Commission by Assembly Speaker Cruz Bustamante in July 1997. Reappointed by Assembly Speakers Robert M. Hertzberg in January 2001, Fabian Núñez in March 2006 and Karen Bass in January 2009. Former president of Shapell Industries of Northern California. Chairman of the Commission from March 2007 to March 2013.

Loren Kaye *(R-Sacramento)* Appointed to the Commission by Governor Arnold Schwarzenegger in March 2006 and reappointed by Governor Schwarzenegger in December 2010. President of the California Foundation for Commerce and Education. Former partner at KP Public Affairs. Served in senior policy positions for Governors Pete Wilson and George Deukmejian, including cabinet secretary to the Governor and undersecretary for the California Trade and Commerce Agency.

Tom Quinn *(D-Marina del Rey)* Appointed to the Commission by Governor Edmund G. Brown Jr. in February 2012. Currently chairman and CEO of City News Services Inc., managing partner of Sierra Investments, president of Americom Broadcasting and chairman of Reno Media Group.

Assemblymember Anthony Rendon *(D-Lynwood)* Appointed to the Commission by Speaker of the Assembly John Pérez in February 2013. Elected in November 2012 to represent the 63rd Assembly District. Represents Bell, Cudahy, Hawaiian Gardens, Lakewood, Lynwood, Maywood, Paramount and South Gate and the North Long Beach community.

Senator Richard Roth *(D-Riverside)* Appointed to the Commission by the Senate Rules Committee in February 2013. Elected in November 2012 to the 31st Senate District, representing Corona, Coronita, Eastvale, El Cerrito, Highgrove, Home Gardens, Jurupa Valley, March Air Reserve Base, Mead Valley, Moreno Valley, Norco, Perris and Riverside.

Mark Vargas *(D-Los Angeles)* Appointed to the Commission by Speaker of the Assembly John Pérez in February 2012. Currently president of Mission Infrastructure. Former special assistant to Governor Gray Davis and liaison to the Mexican governments of Baja California and Baja California Sur. Serves on the boards of the California YMCA Youth & Government Model Legislature and Court, Inland Action and Grand Performances.

Full biographies available on the Commission's website at www.lhc.ca.gov.

"Democracy itself is a process of change, and satisfaction and complacency are enemies of good government."

Governor Edmund G. "Pat" Brown,
addressing the inaugural meeting of the Little Hoover Commission,
April 24, 1962, Sacramento, California