

# Fact Sheet



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## Governor's 2008-09 Budget Information

This document has been prepared to allow for a more thorough explanation and understanding of how the Governor's proposed 2008-09 budget affects the future operations of California State Parks.

It contains budget highlights, the State Park response and position, and the impact the budget would have on State Parks if enacted as proposed.

But the most important section to read and understand is the Accumulated Reductions Section beginning on page four, because it outlines how past budget reductions have brought the park system to a point where the action called for under this budget is unavoidable.

### Budget Highlights

State Parks, and all other General Fund Departments and Agencies, was asked to prepare a General Fund reduction up to 10%, geographically spread across the system in an equitable manner. The direction was that there would be no revenue enhancements, only reductions. The actual reduction approved for State Parks is slightly less, outlined as follows:

- A total reduction of \$17 million including an 8.9%, \$13.3 million reduction to our General Fund operating budget and \$3.7 million in lost revenue, distributed as follows:
  - \$4.4 million from state park headquarters units other than Park Operations and 12 positions. (This represents more than 25% of the total reduction.)
  - \$2.0 million and 11 positions from headquarters units of Park Operations.

- \$10.6 million (including \$6.9 million General Fund and \$3.7 million in lost revenue) and 113 positions from the field units of the state park system.
- The above reductions involve civil service procedures mandated by law that would likely not be fully implemented until the close of the 2008/09 fiscal year.
- To achieve a reduction of this magnitude, on top of significant past reductions, the Department must reduce both its permanent and seasonal workforce, because salaries are the largest part of the budget.
- 48 park units will be closed or partially closed and placed in caretaker status and will not be open to the public. This will allow us to eliminate 136 permanent positions. However, the Department has a number of vacancies and hopes to use those vacancies to lay off the least number of personnel, but some employees may have to move.
- In addition, funding for approximately 50% or 100,000 hours of seasonal work would be eliminated. That means approximately half the seasonal workers needed could be hired, to include lifeguards, park aides and others who provide public protection at state beaches and work to clean restrooms and other facilities at parks and campgrounds. Beachgoers will swim at their own risk at many more beaches and routine maintenance of our facilities will be deferred.
- It must be noted that it is not possible to just reduce the hours of parks or close parks for a day or two each week to solve this funding problem. It is people that keep parks open and it is funding for people, the largest section of the State Parks budget that would be eliminated.
- Elimination of public access at the 48 parks will result in a revenue loss of approximately \$3.7 million to the State Parks and Recreation Fund (SPRF).
- The two together, the \$13.3 GF reduction and the \$3.7 million loss in SPRF revenue, would result in a projected total reduction of \$17.0 million in funding for the operation and maintenance of the state park system.

### **Overall Response**

The Governor is moving to find a solution to the present fiscal crisis that is spread as equitably across the state as possible and we support that effort.

The Governor's proposal calls for reductions in public services and we have worked to make the reductions while still maintaining access to as much of the park system as possible.

## **The Position of State Parks**

These budget reductions are difficult and painful, but they are consistent with the pain spread through all of government across the state, and necessary, if no other funding options are available.

Our proposed park closures and service reductions reflect a long-term, accumulated decline in funding for State Parks, a decline which began long before this administration came to office. (*See Accumulated Reductions Section, page four*)

State Parks must do its part and based on the Governor's direction has chosen a methodology that spreads the reductions in a fair and equitable manner across the state, with no region singled-out or spared, while still keeping the majority of the system open and operating.

Forty-eight (48) parks are affected by closures, however, 230 park units or 83% of the system will remain open.

## **Proposed 08-09 Budget Impact to State Parks**

First, it is important that the public understand the honest consequence of further reductions in funding of the park system.

There will be park closures, campground closures, closures of historic sites, beaches, and recreational areas, and a significant reduction in services to include a significant reduction in seasonal lifeguards and other park staffing.

To achieve the full reduction amount, we must eliminate a total of 136 permanent, full-time positions throughout the state. This is a civil service procedure mandated by law that is lengthy and would likely not be fully implemented until the close of the 2008/09 fiscal year.

Eliminating those positions means that we must then close and put into a caretaker status 48 parks which will not have the personnel required to operate them (*See attachment 1, map of park closures and locations of lifeguard service reductions*).

State Parks has more than 75 million visitors every year. These park closures are projected to reduce the annual visitation by about 6.5 million visitors or less than 10% of our total attendance, meaning most of the system, 230 of the 278 state parks, will remain open and operational.

The methodology for closure was as follows:

- First, can the unit be effectively closed to the public and will such closure result in savings? (Not all units can be closed—Sonoma Coast State Park for example, has dozens of ungated entrances along Highway 1. And even units which can be closed may have significant ongoing caretaking costs necessary to protect both the public and the resources.)
- Second, how many people use the park unit? All other things being equal, we preferred to close units with lower attendance to minimize lost attendance.
- Third, how much revenue does the unit generate? Again, all other things being equal, we preferred to close units with lower revenues to minimize lost revenue.
- This analysis resulted in a list of units distributed fairly across the state whose closure would yield the required savings from our budget while minimizing the loss of attendance and revenue.

### **Accumulated Reductions That Have Made Today's Decision Unavoidable**

In the 1980s, State Parks began deferring maintenance to the system, such things as repairing roofs, bathrooms, roads, fences and trails. Since then, deferred maintenance has continued to grow due to the continued under-funding of the State Parks' maintenance budget. Today, the deferred maintenance backlog for the system stands at just over \$1.2 billion. The annual shortfall in on-going maintenance is \$117 million.

In the early '90's, California went through what was called the "Phoenix Program", mandated by a State budget crisis. This process resulted in a significant funding reduction and reorganization of the Department wherein State Parks eliminated 572 positions and went from having 5 "Regions" and 51 Districts to having no "Regions" and only 23 districts. In addition, 30% of the Department's management and supervisory positions were eliminated.

From 2001-02 through 2007-08, Parks' General Fund operating budget was reduced by \$10.5 million. (Actually, over that period, Parks' GF budget was reduced by \$65 million, but that reduction was partially offset by increases in fee revenue and transfers of \$54.5, resulting in a net \$10.5 million reduction).

During this same period, as State Parks' General Fund dollars were reduced, fees were raised to offset the reduction. State Parks has gone from the General Fund being 55% of the budget, to 35%, with fees raised to make up the difference (*See Attachment 2, Proposed General Fund Expenditures and the State Park percentage of General Fund Budget*).

Raising fees can produce more revenue, but it also gets to a point of diminishing returns where people stop coming to the system and attendance drops, and revenue along with it. We are near that point today.

In 03-04, during another budget reduction, State Parks eliminated another 90 positions, reduced 23 Districts to 18, and relocated all field staff out of leased space into modular buildings on state property. The priority throughout these restructurings has been to maximize service to the public while maintaining a minimal level of protection for our natural and cultural resources.

Stated in economic terms, here's what has happened to funding for the park system. In 1990-91 the state spent \$4.16 per visitor to state parks. That figure has continued to drop ever since, with this latest 08-09 budget reduction proposal bringing that figure to roughly \$2.80/visitor (in inflation-adjusted 2006-07 dollars). (See Attachment 3, Expenditure Per Visitor Chart)

As a result of these previous reductions, staffing levels at park units have already been reduced to minimal levels of service and protection for visitors. The Department has eliminated an entire level of management, capitalized on tremendous efficiency gains from automation and has deferred more than a billion dollars of needed maintenance.

Further reductions, as proposed in the Governor's 08-09 budget, would take service and protection levels below acceptable levels, and can only be met by closing parks and eliminating positions.

By closing parks and eliminating positions, remaining resources can be consolidated and shifted to other parks to provide for services necessary to keep those parks open and operating. The reductions created to meet this budget were designed in such a manner that we feel current minimal service levels will be maintained at units which remain open.

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Separate from the GF reduction, the Governor's Budget proposes a \$3 million GF augmentation for 28 park ranger positions to improve detection and prevention of fires in fire prone areas of state parks.

This addition comes as a result of the recent fires, to further reduce the risk of fires in fire prone areas of the system.

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The proposal to close parks and reduce services to selected State Parks will affect millions of people who visit those units for family recreation and vacations.

We would ask that our faithful visitors be understanding and patient, because reductions of this nature leave us with no other options but to take the actions now proposed.

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Attachments:

1 - Map of State Park Closures and Lifeguard Reductions – Note that the diamonds on the map indicate a reduction in lifeguards at that location, not a park closure.

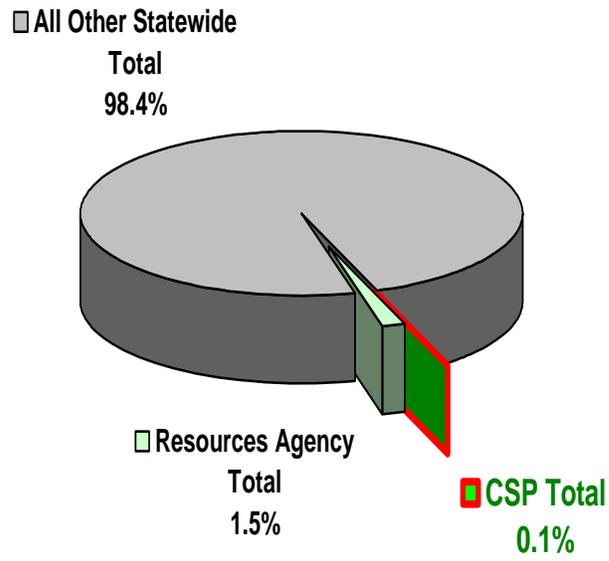
2 – 07-08 Proposed General Fund Expenditures – This pie chart show how State Parks makes up about one-tenth of one per cent of the entire State budget.

3 – State Park Operations Expenditures Per Visitor – This chart shows how the progressive reduction in park budget funding has affected expenditures per visitor from the late 1980s to the present.



**ATTACHMENT 2**

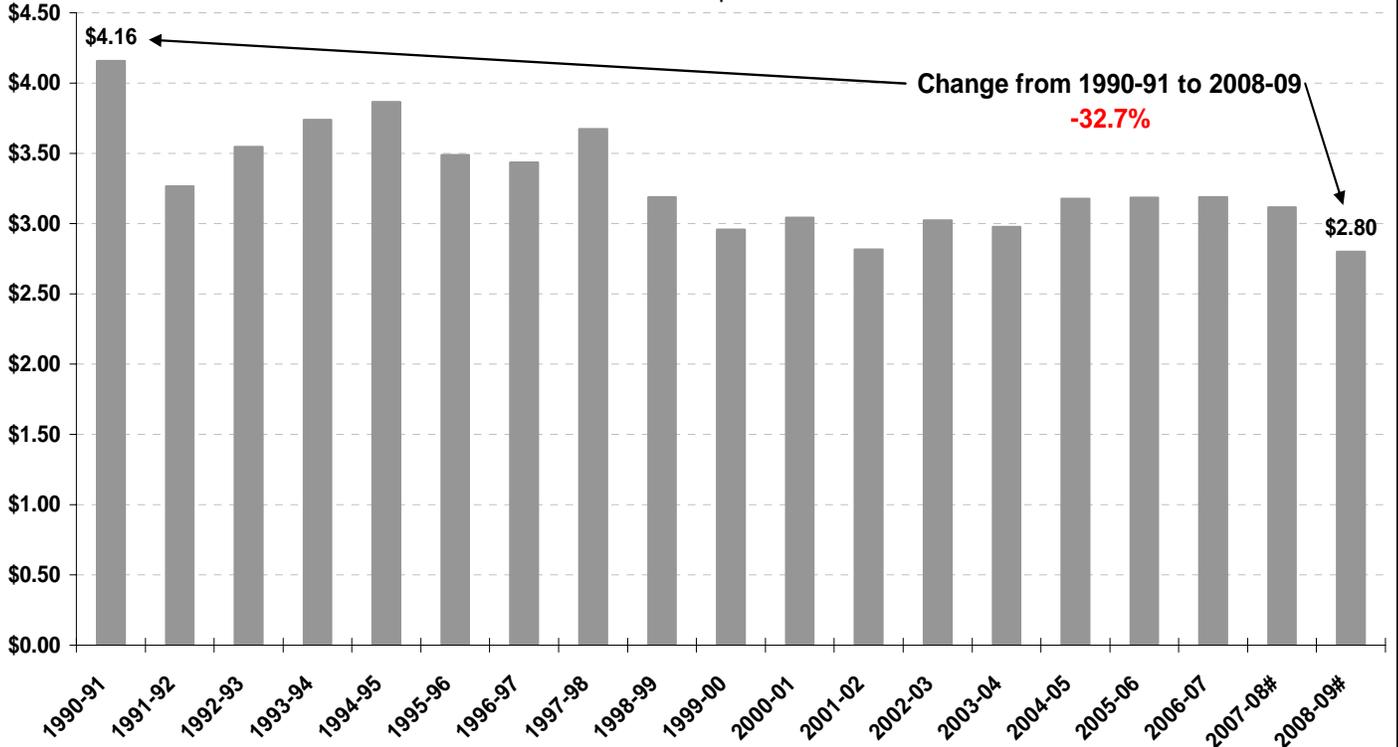
**07-08 Proposed General Fund Expenditures**



Source: Governor's Budget, Schedule 9

### California State Parks State Operations Expenditures Per Visitor

Constant Fiscal Year 2006-07 Dollars  
2008-09 Assumes Proposed Reductions



Notes: Current Year Support Budget excluding carryover authority, one-time funds, OHMVR, bonds & reimbursements adjusted to 2006-2007 California CPI. Excludes OHV park visitation. 2004-05 through 2006-07 include operating costs for significant acquisitions at Hearst, Coast Dairies, and Ft. Ord Dunes for which attendance figures are not available. 2007-08 and 2008-09 are projections.