

Service Based Budgeting Initiative #1

(STRATEGIC GOAL 1: Develop Excellent Management Systems)

Problem Statement

Like most state agencies, the budget of the Department of Parks and Recreation has, for many decades, been based on what was allocated in the previous year. Adjustments for the coming year can be made through “Budget Change Proposals”, but such proposals have been rarely funded. What this means is that allocations are based on decisions made many decades ago and both underfunding and overfunding can be perpetuated indefinitely, without a direct relationship to current needs and services in fulfillment of our Mission.

Initiative Description

"Service-based budgeting" will establish objective service “standards” for DPR facilities, programs and visitor experience. These standards will, in turn, cost out to appropriate staffing levels and operating expenditures and bring some measure of consistency throughout the department. Under Service-based budgeting, allocations would be made based on desired levels of service rather than historic allocations.

This initiative will develop and implement a Service-Based Budgeting (SBB) Program that will enable the Department to tell its story in a compelling manner by describing its organization in terms of programs and services along with associated budgeted costs:

- A. Programs – The California State Parks department has five direct core programs identified in its Mission statement:
 - 1. Natural and Cultural Resource Protection
 - 2. Facilities Management
 - 3. Education and Interpretation
 - 4. Public Safety
 - 5. RecreationSBB will describe each program in detail.

- B. Service Categories – Each of the five programs is made up of a series of service categories. SBB will describe in detail each service performed in a fiscal year. This effort will yield the current service level of all Parks services.

- C. Current Service – Once current services are fully described, the estimated costs of each service will be determined using consistent budget assumptions and current Park allocations. The budget cost amounts allocated to each service will include operational, support and administrative costs. The result of this effort will be the current Parks Department budget presented as the sum of all defined services.

- D. Desired Service – Desired levels of service will be defined in all service categories. Like current services, the costs for these service standards would be identified and would include administrative support, statewide.

Anticipated Benefits of this Initiative

1. Service-based budgeting will give executive staff a budget framework that allows them to make decisions that are based on the Mission and desired program service levels and is therefore, defensible and are able to be consistently applied statewide. During periods of funding reduction, this budget approach will objectively explain to elected decision-makers and concerned stakeholders the consequences of those choices (reduction of services).
2. It will also provide a new basis of allocating the Department's available funds that may result in revised patterns of funding distribution out to the Districts and various Divisions. The budget framework provides the means to distribute allocations throughout the department, based on established standards.
3. Service-based budgeting will also result in articulating, for the first time, what it should cost to run the State Park System and allow the Department to compare that with what it currently costs to run the State Park System. This new budgeting system would highlight the service levels that are currently provided and identify any support gaps that may need to be targeted for "filling" through operational partnerships, fiscal partnerships, enhanced revenue generation, improved operational efficiencies and supplemental funding from other sources (including, but not limited to, long-term grants, commercial sponsorship and state general fund adjustments).

Anticipated Implementation Challenges and Missing Data

1. Diverse units of the State Park System – There are 280 units of the State Park System. The purposes of these units vary depending on their classifications (there are six major classifications) and their individual park purpose statements.
 - Some units have millions of visitors each year while others have a few thousand.
 - Some units have a year-round season while others experience only a few months of serious visitation.
 - Some units are responsible for priceless artifacts while others manage few sensitive resources.
 - Some units exist within damaging weather environments while others are in mild climates.

Implication: To be accurate and fair, the SBB system will need to be detailed enough to accommodate all the diverse factors of the 280 units.
2. Variety of service components – The State Park System manages a complex series of assets and services. In a 2009 exercise, State Park managers identified 101 distinct

components of park operation. A 2013 consultant effort identified 47 different categories or types of services and functions.

Implication: The standards of the SBB system will be established within a set number of operational service categories that must be practical and receive the support of field staff.

3. Establishing what is “standard” – There may be great subjectivity inherent in defining what should be acceptable standards.
 - Who determines what an acceptable standard of service should be? (District Superintendents? Park Specialists and Planners? Park Users? Elected Officials?)
 - Are some standards already set by a governing or accreditation authority (like the U.S. Lifeguards Association)
 - Is there an appropriate model that can be followed?
 - Did the National Park Service conduct some version(s) of a Service-Based Budgeting exercise? If so, who could spend extended time to discuss their experience, lessons learned and processes developed?
 - Should the standards for Mission-based service components be inherently different from those services that could be considered value-added (but are not necessarily a legislatively mandated duty of the State Park System)?

Process

1. People
 - Committee members
 - Clay Phillips (co-chair), San Diego Coast District Superintendent (ret)
 - Helen Carriker (co-chair), Deputy Director, Administrative Services
 - Karl Knapp, Chief - Facilities Management Division
 - Michael DeBoer, Superintendent - Community Involvement Section - External Affairs Division
 - Ron Birkhead, Chief - Northern Service Center
 - TBD
 - TBD
 - Key contributors (or participating organizations)
 - National Park Service
 - Department District Superintendents
 - Keenan Sederquist
 - TBD
 - TBD
 - Other Resources Needed
2. Initial Tasks
 - a. In order to make budgeting simpler, investigate the potential to consolidate multiple “Park Units” into one “Park Unit” where it is non-controversial and

makes operational sense. Ask Districts and coordinate with Organizational Initiatives Committee.

- b. Develop Preliminary Budget Framework, Service Categories and Standards
 - i. Review status of Maximo effort
 - ii. Compile past State Park efforts
 - iii. Complete discussions with National Park Service contacts who have done something similar
 - iv. Prepare 1st Draft Preliminary Framework and send to District Supts and SMEs
- c. Describe current budget in terms of service categories and existing service levels.