



Treasures in trouble as park funds sink further

By Marjie Lundstrom and Matt Weiser

They were left to the people of California, gifts of natural beauty and magnificence to be passed through the generations.

For California's 278 state parks, that heritage is becoming an iffy proposition.

Amid a sagging economy and chronic state budget deficit, California's parks – like other state park systems across the nation – are at a critical financial crossroads.

Years of budget cuts have produced a \$1 billion backlog of crumbling buildings and eroding trails, according to a five-month examination by McClatchy newspapers in California. The vacancy rate among California park rangers stands at 30 percent. Reported crimes in state parks tripled over the past decade as the state added more parks – but not park rangers – a data analysis shows.

"We're on the wrong end of a 30-year downward trend," said California State Parks Director Ruth Coleman.

"The cumulative effect is leaving a state park system that is seriously degraded and, in some places, buildings on the verge of collapse."

Nationwide, California's parks system is considered by experts to be among the most threatened. Other states – including Arizona, Idaho, Illinois, New Jersey and New York – also are struggling.

As a result, from coast to coast, states are looking for new ways to save these public preserves from extinction. Last year, basic park operations cost Californians \$235 million.

"These are all places of California's heritage," said Elizabeth Goldstein, president of the nonprofit California State Parks Foundation. "It would be tragic to lose them and not protect them.

"These are the places that make California California."

Vehicle fee gains support

Goldstein and a wide coalition of interests believe they have a solution for California's parks in a November ballot initiative that would add \$18 to the annual vehicle license fee.

While a handful of other states have similar licensing fees, California's Proposition 21 would make the surcharge mandatory – a factor that has contributed to opposition here.

SPENDING ON PARKS

California ranks first among the top 10 most-visited state park systems. But it spends the least on park operations: Only 20 cents per visitor in 2008-09.



Sources: National Assoc. of State Park Directors; North Carolina State University

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In exchange for the fee, California motorists would have free day use at all 278 state parks, while nonresidents still would pay entrance fees.

The proposal – opposed primarily by taxpayer organizations – would generate \$500 million annually for state parks and wildlife programs.

It has garnered wide-ranging support – from business and travel interests, environmentalists, labor, education, public health and faith communities. California State Parks has taken no public position.

"What we're trying to do with Proposition 21 is to find a long-term, sustainable solution to the problem," said Goldstein.

Opponents, meanwhile, view the measure as more "ballot-box budgeting" that does not hold politicians accountable for setting spending priorities.

"The concern is, first and foremost, an increase in the vehicle license fee on all California drivers," said David Wolfe, legislative director of the Howard Jarvis Taxpayers Association. "It just doesn't make a whole lot of sense to us."

Wolfe and others argue that the proposed surcharge is a regressive tax, affecting many people who can ill afford an \$18 hike for an amenity they may never use. And, they say, it is money being peeled off vehicle registration that does not directly relate to transportation.

Most states have stability

Many state park systems have turned to special funding sources to stabilize park operations and avoid relying exclusively on mercurial state budgets. The solutions range from lottery proceeds to real estate and sales taxes



to corporate sponsorships.

Among the 10 largest state park systems, only California and Massachusetts lack such a dedicated funding source.

The crisis for California parks nearly boiled over last year, when Gov. Arnold Schwarzenegger proposed closing state parks to eliminate a budget gap. Amid public outcry, the governor relented and the parks remained open, though many with drastically reduced hours and services.

The picture remains grim for next year, given the state budget signed this month. The department will receive \$133 million for 2010-11. But with an estimated \$6 million cut from a hiring freeze, the system will receive about the same level of general-fund support as last year.

The anticipated result: continued reduced hours, facility closures and less maintenance, according to Mike Harris, a chief deputy director of California State Parks.

As the Nov. 2 election approaches, even devoted park users are divided.

"Propositions, in general, are not a good way to make laws. I believe in having the users pay as much as possible," said Lee Turner, 65, a retired junior high teacher from Eureka, enjoying a gourmet picnic lunch at Bothe-Napa Valley State Park.

"I'm here, I'm using the park, I should pay," he said.

At nearby Annadel State Park in Sonoma County, Bernard Morris, 69, didn't hesitate when asked about Proposition 21.

"I'd pay it in a minute," said Morris, a retired auditor who hikes at the popular park near Santa Rosa.

California funding lower

Such diverse views about funding public parks are reflected nationally, where Americans are weighing priorities in a time of scarcity and human need. Can the public continue to spend millions on state parks? Can they afford not to?

Today, California's spending on park operations amounts to 20 cents per visitor – far below the other large state park systems, according to an analysis of data compiled by the National Association of State Park Directors.

In comparison, Pennsylvania, ranked seventh in visitor

traffic, spends 44 cents per visitor on park operations – twice as much as California. Oregon spends more than \$1 per visitor.

Both have dedicated funds to help underwrite park operations. Pennsylvania gets a portion of the state's real estate transfer tax, while Oregon and Colorado parks receive lottery money. State parks in Missouri and Arkansas get a piece of the sales tax.

Some states also are looking to the private sector for help. In Southern California, one woman has built her business around the issue.

Shari Boyer, chief executive of Government Solutions Group in Pasadena, connects companies with state parks in sponsorship agreements.

In California, for instance, Boyer helped engineer a deal this year in which Coca-Cola and Stater Bros. supermarkets participated in a Southern California beach cleanup. Coca-Cola Bottling Co. donated \$1 to state parks for every \$10 of products purchased, while

the supermarket chain invited shoppers and employees to make tax-deductible donations.

The companies donated more than \$560,000 to help clean up five state beaches. Last year, Coke and Stater Bros. donated \$600,000 to replant trees in state parks ravaged by wildfires.

In exchange, the companies were thanked by placement of their logos in the lower right-hand corner of an educational sign in Cuyamaca Rancho State Park near San Diego. And, the companies' efforts received widespread news coverage.

"Everybody got something out of it," said Boyer, a self-described outdoorsy person who saw value in connecting environmentally conscious companies with state parks.

In the last three years, California State Parks has raised \$6 million from companies ranging from Subaru to Travelocity to Knudsen Dairy Products. The idea is taking off, as other state parks systems nationwide seek their own corporate deals. Virginia's state parks struck up a promotional partnership this year with the North Face, an outdoor clothing company. Georgia teamed with Verizon and the Boy Scouts to restore trails.



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Ferries and sailboats dock at Ayala Cove at Angel Island State Park, off Tiburon in Marin County. The large island is just one of California's 278 state parks, which draw many visitors but under budget cuts are struggling to maintain basic operations.



Coleman said companies aren't looking for the kind of splashy recognition offered by sports teams, which rename their stadiums after donors. The state and businesses are sensitive to commercialization of the great outdoors, she said, noting that California has guidelines spelling out conditions for donors and sponsorships.

Some private sector help

As budget pressures deepen, however, some states are looking to ratchet up the role of private companies in their state parks.

Arizona and New Jersey are weighing the idea of privatization — placing some or all of their parks' management into private hands.

Earlier this year, Arizona teetered on the edge of permanently closing more than half of its 28 state parks after lawmakers stripped the budget. Only a handful remain closed, but a commission appointed by the governor expressed support last month for privatizing parks.

In California and elsewhere, some experts are skeptical that turning parks over en masse to private vendors would be feasible.

In most states, they point out, only a few parks are truly profitable (Hearst Castle in California, for instance, comes close). The rest are historic sites or cultural experiences that offer little financial incentives for private owners, who would be inclined to leave them behind while they skimmed off the moneymakers.

"Trouble is, that doesn't help the park system a damn bit," said Bill Meek, head of the Arizona State Parks Foundation. "The park system is already making money on those parks."

California parks have numerous contracts with private companies, collecting about \$12 million a year from 191 concessions. For the privilege of operating a business in a state park, California gets, on average, 10 percent of operating revenues from the business in the form of rent.

In some locales, it is a lucrative arrangement for the state.

For instance, California collects a whopping 34 percent of gross receipts from the Pennsylvania-based operator of the gift shop at Hearst Castle. The contract with Aramark Parks & Entertainment produced just under \$1 million in revenue

for the park in the 2008-09 fiscal year, the most lucrative of 66 retail concessions in state parks.

But the deteriorating system is also cutting into the state's profits.

Maurice Robinson, an El Segundo consultant who specializes in park concession contracts, said California could probably demand bigger rent payments if it had nicer facilities to offer.

Instead, it sometimes offers a concession at a cut rate, in return for a promise from the business to repair or upgrade the decrepit building it must occupy.

"I think, in the end, it would be better if the state could fix up the buildings and then get the top rent," said Robinson, who has worked on concession contracts involving both California and national parks. "(T)he visitor experience would be better, and we would keep the buildings from falling apart."

Parks will always need other

revenues, he said.

That's one reason the vehicle fee has been a hot topic nationwide since Montana first adopted it in 2003, said Philip McKnelly, executive director of the National Association of State Park Directors.

"There was a clear understanding that the park system was facing a crisis in 2003," said Montana State Parks Administrator Chas Van Genderen. "This was a solution no one had tried." Van Genderen said that "Montanans have embraced" the program, which gives its residents the opportunity to "opt out" of paying the additional \$4 per car.

Since Montana passed its law, Washington and Michigan have created their own optional vehicle registration programs to support state parks. Washington tacks \$5 onto its licensing fee, if motorists choose, while Michigan adds \$10.

Whatever California voters decide in November, the issue remains: Preserving the park system's legacy will take a public commitment.

"We were relatively lucky last year in that we didn't have any major (water or sewer) system failures," said Harris. "If we have system problems this year, or we get a big wildfire, all bets are off."



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A visitors center window frames Hearst Castle, above San Simeon Bay. The complex includes gift shops and restaurants, and unlike most parks comes close to making a profit.