

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 04/17/2012
POSITION: Oppose

BILL NUMBER: SB 1078
AUTHOR: Evans, Noreen

BILL SUMMARY: State parks: state park revenue generation and insurance risk pool.

This bill would establish the California State Parks Sustainability Through Innovation Act (Act). The Act would require the Department of Parks and Recreation (Parks) to create an innovation team of up to 10 employees that would develop revenue generation ideas.

FISCAL SUMMARY

The bill would require Parks to use its existing employees for the innovation team; therefore, there would be no additional costs to the state. However, the bill could create additional revenue to Parks if the team is successful.

Parks already provides technical assistance to potential park operating partners; however, such assistance does not include assistance related to insurance risk pools. Although Parks has not provided an analysis of this bill, we estimate that the cost associated with the additional assistance would be minor and absorbable.

COMMENTS

We are opposed to the bill because it is not necessary. The 2012-13 Governor's Budget already includes a plan to help Parks generate additional revenues, and Parks already provides technical assistance to potential park operating partners.

The Governor's Budget proposes a two-year pilot program to allow Parks to be more entrepreneurial and generate additional funding for the state park system. The proposal includes trailer bill language (TBL) allowing funds generated under the program to be continuously appropriated to Parks. At least 50 percent of the revenue generated would be expended in the park districts that earn the revenue, and the remainder would be spent by Parks on activities that are consistent with its mission. The TBL also requires the Office of State Audits and Evaluations to perform a program review to ensure appropriate internal controls are in place. Finally, the TBL would allow Parks to implement the pilot program as soon as the trailer bill is passed as opposed to this bill that would take effect on January 1, 2013, if it were passed and signed by the Governor.

We also note that Parks provided technical assistance to potential park operating partners through workshops from February 2012 through March 2012, and continues to work with potential partners on operating agreements.

The bill would create the Act. Specifically, the Act would have the following components:

- Create an innovation team made up of up to 10 current employees by July 1, 2013.

Analyst/Principal (0633) K.Gmeinder	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

Evans, Noreen

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COMMENTS (continued)

- Require the team to consider specified ideas such as regional park passes, automated entrance kiosks, and checkoffs on the state tax return.
- Create innovation working groups at park districts or park units for developing a business plan for the districts or units.
- Require Parks to establish a community advisory board for providing community input in the development of the business plan.
- Establish the Park Innovation Account within the State Parks and Recreation Fund for revenue generated by park units or districts, and provide a continuous appropriation to the units or districts.
- Require 70 percent of the revenue generated to be expended by the park districts or park units that generated the revenue.
- Require Parks to report to the Legislature beginning February 15, 2014, and annually thereafter regarding the expenditure of revenues.
- Require Parks to provide technical assistance to a non-profit organization that is developing or has an operating agreement to manage unit to establish or join an insurance risk pool for the operation of the park unit.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2011-2012 FC	2012-2013 FC	2013-2014	
3790/Parks & Rec	SO	No		-----	See Fiscal Summary	-----	0392
<u>Fund Code</u>	<u>Title</u>						
0392	Parks and Recreation Fund, State						