

MARCH 2, 2021

Overview of Funding for Parks and Open Space

PRESENTED TO:

Assembly Committee on Water, Parks, and Wildlife
Hon. Eduardo Garcia, Chair



LEGISLATIVE ANALYST'S OFFICE

Major Sources of Funding for Parks and Open Space

State Funding

- General Fund.
- Special funds—often supported by user fee revenues such as from annual passes, entrance fees, and hunting and fishing license sales.
- General obligation bonds.

Federal Funding

- Land and Water Conservation Fund.
- Pittman-Robertson Wildlife Restoration Program.
- Dingle-Johnson Sport Fish Restoration Program.

Local Funding

- Local tax revenues, such as property taxes.
- Local bonds.
- Local visitor fees.

Funding From Nongovernmental Organizations

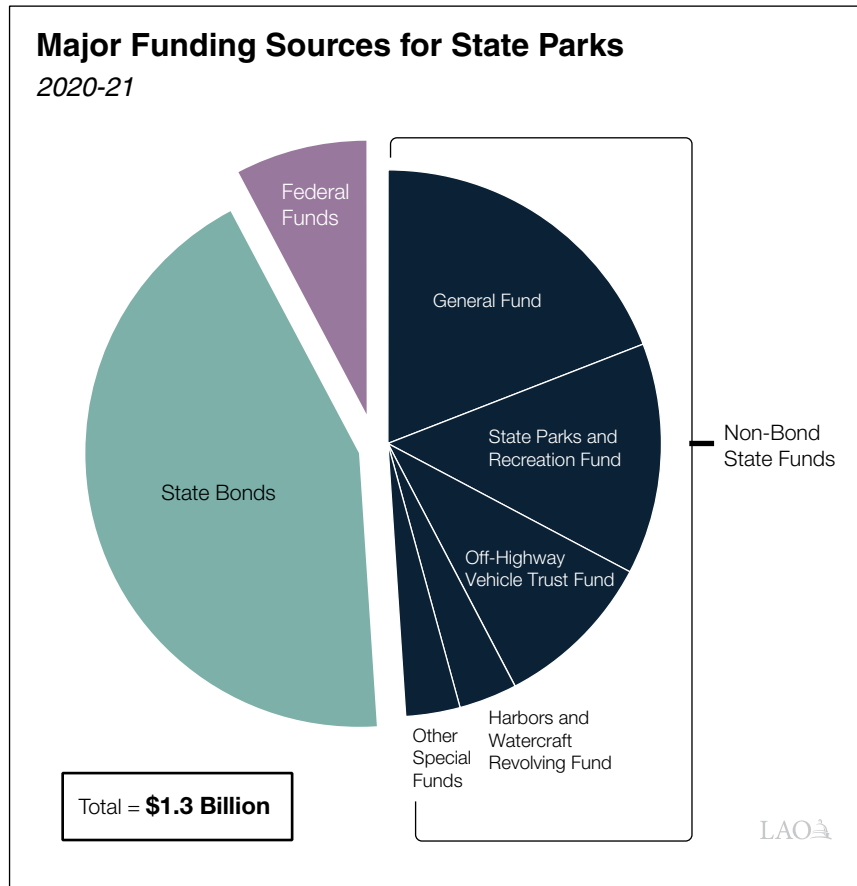
- Sporting and outdoor groups (such as duck hunting clubs).
- Nonprofit land management groups (such as land trusts).
- Foundations and nonprofit support organizations (such as Parks California).



Current Funding Levels for State Programs

State Parks Receiving About \$1.3 Billion in 2020-21

- About half is from ongoing state funds, and most of the remainder is one-time bond spending. The two largest ongoing sources of funding are the General Fund and the State Parks and Recreation Fund (SPRF), which is mostly supported by user fees.
- Of the total, about half is for operation of and capital improvements at state parks, and the other half is for local assistance grants.



Current Funding Levels for State Programs

(Continued)

California Department of Fish and Wildlife Has Two Primary Programs Related to Public Access

- ***Hunting, Fishing, and Public Use Program (\$100 Million).*** These efforts are primarily supported by federal funds (\$43 million), license and user fees (\$39 million), and the General Fund (\$13 million).
- ***Management of Department Lands and Facilities (\$82 Million).*** These efforts are primarily supported by federal funds (\$20 million), sport fishing license fees (\$18 million), other license and user fees (\$13 million), and bonds (\$11 million).

Other State Entities Also Receive Funding for Public Lands and Access Programs

- ***California Natural Resources Agency.*** Youth Community Access Grant Program (\$8 million annually, Cannabis Tax Fund).
- ***State Conservancies and Wildlife Conservation Board.*** Various public access services and grant programs (total funding of \$610 million for these departments in 2020-21, mostly funded by one-time state bonds).



Proposition 68 (2018) Funding

Proposition 68 Funding for Parks and Public Access

(In Millions)

Activity	Implementing Department	Bond Allocation	Amount Appropriated 2018-2021	Amount Remaining
Improve and expand local parks	Parks	\$1,035	\$970	\$65
Restoration, conservation, and access projects	Conservancies	345	216	129
Improve and expand state parks	Parks	170	107	63
Develop lower cost coastal accommodations	SCC/Parks	60	11	49
Deferred maintenance on CDFW lands	CDFW	50	20	30
Cultural, Community and Natural Resources Program	CNRA	40	40	—
Trails, greenways, and river parkways projects	CNRA	40	38	2
Restoration, conservation, and access projects	CCC	40	34	6
Totals		\$1,780	\$1,435	\$345

Parks = Department of Parks and Recreation; SCC = State Coastal Conservancy; CDFW = California Department of Fish and Wildlife; CCC = California Conservation Corps; and CNRA = California Natural Resources Agency.

Most Recent Bond Included About \$1.8 Billion for Parks and Public Access

- General obligation bond provided a total of \$4.1 billion for various natural resources-related programs.
- Included \$1 billion for grants to local parks and \$170 million for projects at state parks.

Most Funds Are in the Process of Being Expended by Departments and Grantees

- More than 90 percent of these funds have been appropriated by the Legislature in prior budget acts. The Governor's 2021-22 proposed budget includes an additional \$73 million from Proposition 68 for these programs.



Recent Budget Actions and Proposals

2020-21 State Budget Included Some New One-Time Funding

- **Bond Funding (\$582 Million Proposition 68).** The largest allocation was for grants to local parks.
- **Backfill for User Fees (\$150 Million General Fund).** The budget authorized a funding transfer to address a pandemic-related projected shortfall in the SPRF across 2019-20 and 2020-21.
- **Outdoor Equity Grants Program (\$20 Million General Fund).** This funding is to initiate a new grant program authorized under Chapter 675 of 2019 (AB 209, Limón), for grants to provide underserved youth with outdoor educational experiences.
- **New State Park (\$5 Million General Fund).** This funding is to acquire a new state park. The specific location has not yet been announced.

Governor Proposes Some Additional Augmentations in 2021-22

- **Wildfire Risk Reduction Activities (\$85 Million).** The Governor's budget provides one-time General Fund resources to undertake projects that reduce the risk of wildfire on state park lands.
- **Harbors and Watercraft Revolving Fund (HWRF) Stabilization.** The Governor proposes a package of solutions to begin to address a structural imbalance in the HWRF.
- **Woolsey Wildfire Repair (\$33 Million).** The proposed budget provides General Fund and reimbursement authority on a one-time basis to conduct additional fire damage repairs at two state parks.
- **Deferred Maintenance (\$20 Million).** The proposal provides one-time General Fund for projects at state parks.
- **New Acquisitions (\$12.6 Million).** The budget proposal includes one-time General Fund and federal reimbursement authority to acquire parcels that would add to existing state parks.

Recent Federal Legislation Could Provide Additional Funding

- **Great Outdoors Act of 2020.** This legislation authorizes \$900 million in annual permanent funding for the Land and Water Conservation Fund, which provides matching grants to states and local governments for the acquisition and development of public outdoor recreation areas and facilities.



Issues for Legislative Consideration

Challenges to Protecting and Preserving Access to Current Public Lands

- State departments report experiencing ongoing operations and maintenance deficiencies.
- The risk of wildfire is increasing and the state has not historically incorporated sufficient management and prevention activities on its lands.
- Other climate change impacts—such as more frequent and intense droughts, as well as the threat that sea-level rise poses to the coast—will create new management needs for state lands and habitats.

Existing Parks, Open Spaces, and Public Access Programs May Not Meet All Californians' Needs

- Parks are not evenly distributed across all areas of the state, and visiting is not easily accessible to all residents.
- Via executive order, the Governor has established a goal of protecting 30 percent of the state's lands by 2030—although how this will be defined is still somewhat unclear. President Biden has indicated a similar goal at the federal level.
- Expanding public lands likely would result in both one-time and ongoing costs.

Funding Constraints for Parks and Open Space

- The General Fund is projected to have longer-term structural shortfalls, making increased commitments challenging.
- Bonds provide one-time funding and are not an appropriate source to support ongoing programs.
- Generating additional special fund revenues—particularly from SPRF—often requires increasing fees on park users, which could negatively impact the goal of making parks more accessible.

