

FISCAL EFFECT:

- 1) According to State Parks, roughly 150 units of the state park system do not have internet connectivity. State Parks estimates one-time costs of approximately \$25 million (General Fund) over an undetermined number of years to establish system-wide connectivity necessary to ensure all units of the state park system can implement the new reservation features.
- 2) Revenue loss of an unknown but significant amount, possibly in the low millions of dollars, resulting from the 25% discount offered to Golden Bear Pass holders for campsite or lodging reservations (State Park and Recreation Fund). There are roughly 41,000 Golden Bear Pass holders. Fees for campsites (both individual and group sites) and other lodging options offered by State Parks (such as cabins, cottages, and yurts) vary from about \$30 to \$350 per night. Assuming 75% of Golden Bear Pass holders each reserve a campsite that costs \$45 per night for three nights at a 25% discount, State Parks would incur an annual revenue loss of approximately \$1 million.
- 3) State Parks estimates ongoing annual costs of approximately \$256,000 (General Fund) for two positions in its accounting office to monitor and approve credit transactions, process deposits, and perform monthly reconciliation.

COMMENTS:

- 1) **Purpose.** According to the author:

All Californians should have equal opportunities and access to reserve a campsite within our public parks. [This bill] promotes outdoor access for everyone by requiring State Parks to adopt modifications to the online camping registration system that deter late cancellations and no-shows.

- 2) **Background. State Parks Reservation System.** State Parks oversees 280 park units throughout the state, with more than 15,000 campsites and other lodging options like rustic cabins, cottages, tent cabins, floating campsites, and yurts. For many of these locations, reservations are available six months in advance of the arrival date through an online or phone-based reservation system called Reserve California, which is managed by a contracted vendor. The current \$85 million reservation system contract was approved in August 2017 and expires this July. State Parks anticipates issuing a request for proposals (RFP) this spring and awarding a new contract by August 2023. The author may wish to consider including an urgency clause to align the goals of this bill with the anticipated timing of the new contract.

As detailed in the Water, Parks, and Wildlife Committee analysis of this bill, many camping and lodging locations are very popular and some sites are reserved within minutes of becoming available. However, there are anecdotal stories of fully reserved popular campsites with many empty spots due to no-shows. State Parks estimates a system-wide cancellation rate of 15%. It is unclear if this figure includes no-shows. The maximum financial consequence for booking a site and then not showing up is typically the forfeiture of the cost of a single night plus a reservation fee. The current reservation system vendor does not send reminder emails to reservation holders prior to the reservation start date.

This bill requires any contract State Parks enters into, on and after January 1, 2024, for purposes of managing the State Parks reservation system to include provisions to incentivize early cancellations by increasing the financial consequences of a late cancellation or no-show. For example, under this bill, for reservation holders that do not show up to their reserved site, the maximum financial consequence would be the entire reservation cost plus fees.

Reservation Lottery Example. The National Park Service implemented an early access lottery system for the 2022 and 2023 camping seasons at the North Pines Campground in Yosemite National Park. The goals of the lottery were to create a better experience that reduces confusion and frustration for the highly competitive reservation process; offer a new method for reserving campsites at this high-demand location for a more equitable experience; and address visitor complaints about the perception of an unfair reservation process.

Successful lottery applicants had an opportunity to make a reservation for campsites in North Pines Campground during a less competitive early access period. Following the early access period, any remaining availability was released on the usual on-sale dates (five months in advance on the 15th of the month). During the 2022 lottery pilot, there were 22,033 applications for the 640 time slots, resulting in a success rate of 2.9%. Of people awarded an early access time slot, 82.5% made a reservation, resulting in 48% of availability being booked. In 2023, there were 2,500 time slots, but data is not yet available about applications and bookings made.

This bill requires State Parks to implement a reservation lottery system for up to five of the most popular units of the state park system and report information regarding the reservation lottery system to the Legislature.

Golden Bear Pass. The Golden Bear Pass is offered for free to CalWORKs recipients, supplemental security income recipients, and those whose incomes fall under a certain threshold. Since the \$5 fee was waived and enhanced coordination with CalWORKs began in 2021, the number of annual Golden Bear Pass holders has increased from roughly 2,000 to 41,000.

State Park and Recreation Fund (SPRF). Generating sufficient, long-term sources of funding for State Parks operations and maintenance has been an ongoing challenge, raising the question of how far the state should go in discounting fees. The more the state discounts fees, the more the state will need to offset lost revenues with the General Fund or cut or eliminate other improvements, services, and programs. This is particularly relevant as State Parks' large backlog of deferred maintenance is estimated at over \$1 billion.

The SPRF is the department's primary ongoing funding source and is mostly supported by user fees. The FY 2020-21 budget authorized a transfer of up to \$150 million from the General Fund to help backfill a projected SPRF shortfall across FY 2019-20 and FY 2020-21. No General Fund backfills were requested or approved for FY 2021-22 or FY 2022-23. State Parks has not requested a General Fund backfill for SPRF in the FY 2023-24 budget.