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THIRD READING

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Bill No: SB 1332  
Author: Allen (D), et al.  
Amended: 4/17/24  
Vote: 21

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SENATE NATURAL RES. & WATER COMMITTEE: 10-0, 4/15/24  
AYES: Min, Seyarto, Allen, Dahle, Eggman, Hurtado, Laird, Limón, Padilla,  
Stern  
NO VOTE RECORDED: Grove

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/16/24  
AYES: Caballero, Jones, Ashby, Becker, Bradford, Seyarto, Wahab

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**SUBJECT:** The Conservation Stewardship Endowment Fund

**SOURCE:** The Nature Conservancy

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**DIGEST:** This bill establishes the Conservation Stewardship Endowment Fund to support the maintenance and stewardship of lands owned and managed by the Department of Parks and Recreation (State Parks).

**ANALYSIS:**

Existing law:

- 1) Establishes State Parks in the California Natural Resources Agency (CNRA) under the control of the State Parks director. *Public Resources Code (PRC) §501.*
- 2) Vests State Parks with control of the state park system (*PRC §5001*) and directs State Parks to:
  - a) Administer, protect, develop, and interpret the state park system for the use and enjoyment of the public. *PRC §5003.*

- b) Protect the state park system from damage and preserve the peace. *PRC §5008.*
- 3) Authorizes State Parks to enter into a statewide agreement with a park support organization, as defined, to facilitate the implementation of specified reforms and to develop and secure expertise, services, resources, and projects that are not readily available to the state park system, for multiple purposes, including to develop and engage new sources of public and private funding for the state park system. *PRC §521.*
- 4) Establishes the State Parks and Recreation Fund in the State Treasury and makes all funds in this fund available for expenditure for state park planning, acquisition, and development projects, operation of the state park system, and resource and property management and protection, when appropriated by the Legislature. *PRC §5010.*
- 5) Generally limits the use of proceeds from the sale of state general obligation bonds to the costs of construction or acquisition of capital assets, as defined. *Government Code §16727.*

This bill:

- 1) Establishes the Conservation Stewardship Endowment Fund (Endowment Fund) in the State Treasury and requires the deposit of moneys received by CNRA for the purposes set forth in (2) into the Endowment Fund.
- 2) Provides that moneys in the Endowment Fund shall be allocated to CNRA, upon appropriation by the Legislature, to:
  - a) Support the maintenance and stewardship of lands owned and managed by State Parks, and
  - b) Generate funding through investment earnings for the support of stewardship and maintenance of these lands.
- 3) Directs the Treasurer to invest moneys in the Endowment Fund with the goal of achieving capital appreciation to create a balance sufficient to generate ongoing earnings to cover the estimated annual costs associated with maintenance and stewardship of lands owned and managed by State Parks.

- 4) Authorizes the Endowment Fund to receive donations and contributions from specified entities and sources.
- 5) Requires earnings generated by the Endowment Fund to be retained by the Endowment Fund.
- 6) Provides that moneys deposited in the Endowment Fund are exempt from requirements for special funds in state law related to being charged, by the Department of Finance, a fair share of the state's administrative costs, as defined, related to the function supported by that fund.
- 7) Directs the CNRA secretary to establish a governing body consisting of specified members to oversee the administration of and the disbursement of moneys in the Endowment Fund.
- 8) Requires the Legislative Analyst's Office, by December 31, 2030, to submit a report to the Legislature that reviews the impact and performance of the Endowment Fund. The report must include all of the following:
  - a) A review and assessment of the costs and benefits of the Endowment Fund.
  - b) A summary of the sources and amounts of gifts and donations to the Endowment Fund.
  - c) A review of the Endowment Fund's performance and an assessment of the Endowment Fund's potential to generate revenue over time.
  - d) An assessment of what types of costs the Endowment Fund might cover and, based on this assessment and the assessment in (c), how much of State Parks' costs for stewardship and maintenance the Endowment Fund might reasonably and sustainably cover.
  - e) An assessment of how the Endowment Fund might relieve pressure from other funds managed by State Parks and how it might support the state's Outdoors for All initiative.
  - f) Recommendations for the operation, management, and governance of the Endowment Fund, including whether the state or another entity should administer the Endowment Fund.

- 9) Defines terms, including “stewardship,” which would encompass the range of activities involved in controlling, monitoring, and managing for conservation purposes a property, or a conservation or open-space easement, as defined by the terms of the easement, and its attendant resources.
- 10) Makes findings and declarations, including:
  - a) While general obligation bond funding can be used for land acquisition to protect and enhance fish and wildlife habitat and achieve the state’s biodiversity and conservation goals, bond funding cannot be used for stewardship and management of these lands.
  - b) Due to decades of underinvestment, the State Parks has a maintenance backlog of approximately \$1 billion. Deferred maintenance projects are critical to increasing the resilience of California’s state parks to climate impacts.

## Background

*State Parks.* State Parks’ mission is to provide for the health, inspiration, and education of the people of California by helping to preserve the state’s extraordinary biological diversity, protecting its most valued natural and cultural resources, and creating opportunities for high-quality outdoor recreation. With 280 state park units, covering nearly 1.6 million acres, over 340 miles of coastline, 970 miles of lake and river frontage, 15,000 campsites, 5,200 miles of trails, 3,195 historic buildings, and more than 11,000 known prehistoric and historic archaeological sites, State Parks contains the largest and most diverse recreational, natural, and cultural heritage holdings of any state agency in the nation. More than 68 million people annually visit California’s state park system.

*Paying for State Parks.* The state has provided support for capital outlay in order to acquire and develop park lands. The development and expansion of California’s state park system has generally been financed with bond funding and General Fund dollars. Existing law typically limits the use of bond funds to costs associated with the construction or acquisition of capital assets. The General Fund typically pays for general obligation bond debt service—including for both the principal and interest costs—over a couple decades.

The State Parks and Recreation Fund (SPRF) is the primary special fund supporting State Parks. The single largest source of funding for SPRF, providing about \$125 million annually, is fees charged to park users, such as park

entrance fees and overnight camping fees. After user fees, the second largest source of support for SPRF—providing about \$100 million annually—is transfers from the Motor Vehicle Fuel Account. SPRF also receives some revenue from other sources, including contracts with concessionaires that provide certain services, as well as transfers from the Highway Users Tax Account.

SPRF moneys are used to support numerous aspects of State Parks' operations, such as staff to maintain and operate state parks and contracts with park vendors (such as for services like trash collection). In some cases, SPRF is also used to support capital projects, such as to replace aging park facilities.

The state has also used the General Fund for State Parks support, but the level of funding has varied over time, in large part based on variations in the state's overall General Fund condition. In addition to SPRF and the General Fund, State Parks also receives financial support from various other sources, including smaller special funds, federal funds, and reimbursements.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- Unknown, likely significant ongoing cost pressure to spend the funds from the Endowment Fund that would be established by this bill to support the maintenance and stewardship of lands owned and managed by State Parks.
- Unknown, potentially significant costs for CNRA to establish a governing body and for that body to oversee the administration and disbursement of monies in the Endowment Fund. In addition, unknown but potentially significant costs for the Treasurer to invest monies in the Endowment Fund to generate earnings to cover the costs of the fund's purpose as specified.
- Unknown, potentially significant one-time costs (General Fund or special fund) for the LAO to prepare and submit a report as specified by the provisions of this bill.

**SUPPORT:** (Verified 5/16/24)

The Nature Conservancy (source)  
Bolsa Chica Land Trust  
California Environmental Voters  
California Mountain Biking Coalition  
California Park & Recreation Society

California Trails Foundation  
Sonoma County Regional Parks

**OPPOSITION:** (Verified 5/16/24)

None received

**ARGUMENTS IN SUPPORT:** According to the author, “California’s state parks and other protected lands provide significant benefits that include outdoor recreation, climate change mitigation, water and air purification, and more. As such, these lands play a crucial role in achieving California’s climate goals and several high-priority state initiatives including the 30x30 Initiative, the Outdoors for All Initiative, and the Water Supply Strategy, among others. California has made significant investments to protect and conserve these lands; however, dedicated resources for stewardship and management are necessary to ensure that they remain healthy landscapes. Unfortunately, those funds have been historically left out of this conversation, forcing State Parks to grapple with a \$1 billion deferred maintenance backlog!”

“To provide dedicated resources for the stewardship and management of California’s state parks, SB 1332 establishes the Conservation Stewardship Fund. The bill also creates a governing body to oversee administration of the Fund, consisting of the California Secretary of Natural Resources, State Controller, Director of Finance, and Director of Parks and Recreation. By establishing a dedicated stewardship and maintenance fund, SB 1332 allows California to protect its investments in state parks and conservation lands, as well as help increase their resilience to climate change. In doing so, this bill will ensure these lands continue to provide important benefits to all Californians for generations to come.”

According to the sponsor, “California has made significant investments to protect and conserve [State Parks] lands, however, dedicated resources for stewardship and management are necessary to ensure that they remain healthy landscapes and continue to benefit all Californians. While general obligation bond funding can be used to acquire and protect these lands, stewardship and management activities are not eligible for bond funding. The lack of funding for maintenance and stewardship has resulted in a deferred maintenance backlog totaling more than \$1 billion for the Department of Parks and Recreation alone. As the impacts of climate change intensify, management and stewardship of California’s state parks and conservation lands will become increasingly important.”

“SB 1332 would establish the Conservation Stewardship Endowment Fund to provide dedicated resources for the stewardship and management of California’s state park lands. The creation of a stewardship endowment fund will allow California to protect its investments in state parks and will increase the climate resilience of these important lands. As such, SB 1332 will ensure that our state parks continue to provide important benefits for all Californians for generations to come.”

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5/17/24 19:18:06

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