Another Voice - Privatizing state parks doesn't compute

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State governments are transiting away from contributing general funds (taxes) toward a user fee based system. Some may see this as a means to lighten the responsibility for state government. Others, myself included, take the view that burden sharing is required. Some fees can be raised. Some economies achieved. In the end, however, the State must shoulder some of the "burden."

In California, for instance, our 270 state parks return $4.2 billion each year by way of taxes, revenues to the general fund, and economic activity to the local economies. In fact, it is the more rural economies, where high unemployment relative to the state as a whole and low per household incomes are most felt. Local communities rely on their state parks.

The Reason Foundation, Cato Institute, Property Environment and Recreation Coalition, American Recreation Coalition, and ALEC all have privatization as a mainstay of their agenda (from toll roads to healthcare, from prisons to state parks. They seek to commoditize every aspect of government including parks. The net effect for parks is for private for-profit companies to capture the revenue portions of parks (campgrounds and such) while returning via rent 3 percent of the revenues to the state. They are routinely indemnified against paying for major repairs (i.e water and sewage systems), have no responsibility for deferred maintenance ($1.3 billion in California), do not provide security, and the very infrastructure upon which they seek to profit (the campgrounds and facilities) were paid for by taxpayers. The state, thus, will still be charged with protecting and preserving the natural and cultural environment of state parks when at the same time their revenue rich elements are siphoned off.

Finally, the proposals for for-profit operations are counting on continued volunteers to bolster their operations via the parks department - talk about free labor!

What makes this picture even more troubling is that PROS Consulting, which privatized the Kentucky Parks System and is in the process of privatizing some of Arizona's parks fully admits that in order to profit, for profit companies must select only the high visitor/high revenue venues, drive labor costs down, raise fees, move from camping sites to yurts, tent cabins, and lodging, and provide on site food and gift shop, and special events.

These activities will draw even more revenue away from the local communities.

Instead of having professional rangers and staff on site, a poorly trained, minimum wage workforce is the likely result. This strategy is amply demonstrated in "Annual Privatization Report 2011," by the Reason Foundation, and the PROS Consulting report to the State of Arizona "Arizona Stat Park Privatization and Efficiency Plan." Currently, the California State Parks Department is spending tens of thousands of dollars to have PROS Consulting recommend ways to privatize California State Parks.

Consider what we are up against here, in California. The general funds (tax) contribution to state parks
is at $122 million, and will be reduced to $99 million, at the same time it generates $4.2 billion in economic gain to the state. It is, beside the DMV, perhaps the best net generator of revenues to the state there is. In the meantime, the state's elected officials in the last month have initiated a peripheral canal project (which could end up costing $50 billion), a bullet train which is already north of $11 billion, and a nearly $10 billion a year prison system. In the scheme of things, how can the state's contribution of $122 million in a nearly $100 billion a year state budget not be the least that citizens can expect of their hard earned taxes. With 38 million citizens, when all is said and done, the average taxpayer may pay as much as $2 per annum for the privilege of having millions of acres of state park land at their disposal. If there is a better deal left out there of what government can and does do for all of its citizens, please someone tell me what that is.

The unfortunate thing is that while we had foxes in the henhouse, a Parks Director and her appointees, actively manufacturing a crisis. They have been doing a great job of accelerating the deteriorization of the system. The Director resigned suddenly on July 20, after it was learned that she had hidden $54 million for at least a decade, while at the same time moving to close 70 state parks to create a budget gap that did not exist.

So far, her deputy, executive assistant, the department's chief counsel, and a few others have been shown the door. And yet, the department is still going through with 5 or 6 private contracts to operate campgrounds at parks. American Land and Leisure is the operator. An has proposed $8 fees for state beaches now free, such as Mendocino Headlands, Big River, and Cabrillo Lighthouse.

Clearly, there is a role for private concessionaires. They can operate marinas, boat rentals, provide guide services, even some food concessions - all of which are typically run by locals, people who have a stake in the community. American Land and Leisure, however, is a Orem Utah based major corporation, which operates over 400 campgrounds (National Parks, BIA land, National Forests, that sort of deal). They base their profit margins on a 6 to 25 percent per year profit. In every case, they come in to operate an infrastructure that has taken 110 years of state support, donor support, private citizen donations of land, and volunteer efforts to build and maintain. Would you want to own, say a building, and have a "manager" come in to collect and keep all the rents, while you maintain the building and pay the taxes?

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