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May 4, 2020 Via Email: Lisa.Mangat@parks.ca.gov

Lisa Mangat, Director
California Department of Parks and Recreation
1416 Ninth Street, Suite 1405
Sacramento, CA 95814

Re: Division of Boating and Waterways – Harbors and Watercraft Revolving Fund Deficiency

Director Mangat –

California's boating community, comprised of boaters and the boating industry, and as represented by our individual organizations, is quite concerned that the department may move forward this year with one or more proposals to revise the Harbors and Watercraft Revolving Fund [HWRF] in a process and with substantive provisions that could be detrimental to the state's boating community.

Boating stakeholders are being informed that there is a deficiency in the HWRF and that significant revisions are being considered to the boating programs and services that it funds, as well as the sources or amounts of revenues paid into the fund.

To date, we have received no specifics regarding any proposals despite a Constitutional deadline for a completed budget of June 15th. We are concerned that action could be taken in the very near future in conjunction with the release of the Governor's May Budget Revise, with an accelerated calendar for consideration and adoption of the upcoming state budget for the fiscal year that commences on July 1.

In order to help us engage to the best and most robust way possible, our communities have asked some specific questions about the HWRF and other expenditures by DBW. While we have received some feedback, we have not received the specific information that has been requested by a number of individuals and organization both formally in public testimony, and informally in meetings and conversations.

It is critical that this state's boating stakeholders have accurate information that is essential to our consideration of any proposed revisions. There are approximately 800,000 registered boats in California, and a vibrant \$17 billion dollar per year industry. The many forms of boating provide enjoyable, healthy and popular recreational opportunities throughout the state.

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We would like to pose the following questions to collect information we believe is necessary for our engagement on upcoming budget issues and to guide future conversations between our organizations and the Department:

1. How can the public best receive accurate information from DBW regarding its operations, programs and funds including the HWRF? Would it be possible to work with Parks to pull this data together in an easily digestible format that we could share with our members? For example:
 - A. What is the total amount of motor vehicle fuel tax dollars that boaters pay to the state – not just the HWRF - annually?
 - B. Where are those motor vehicle fuel tax dollars directed, and how are the funds spent?
 - C. Why is the State Parks and Recreation Fund - into which boat fuel tax dollars are deposited - not utilized for boating programs and services, despite statutory authorization?
2. Some of the HWRF funding is spent on programs of questionable value to California's boating community. In other cases, HWRF funding is exclusively used for programs that clearly have other interested stakeholders who are not carrying their weight.
 - A. For example, HWRF funds are spent on the beach erosion program. Our groups would ask how a program like this is of direct benefit to boaters?
 - B. Additionally, increasing amount of HWRF funds are directed to the State's vegetation management program each year. While clear navigation is of importance to boaters, this program also benefits water exporters in the south Delta, farmers, wildlife, non-motorized recreational users, and more.
 - i. With regard to this specific example, can other government entities and/or stakeholders provide funding in support of the invasive species program that benefits their interests?
 - C. If other programmatic expenditures are benefit a wider set of interest groups, how can the Department ensure those beneficiaries are paying their fair share?
3. Some partners are experiencing challenges in access and working with DBW to receive public funding from HWRF programs. Can the processes for the following programs be revised to re-create interest and applications, and expedite approvals process?
 - A. The private marina loan program
 - B. The public marina loan and grant program – including launch ramps
 - C. The abandoned and surrendered recreational vessel program
 - D. The aquatic center program
4. How can our groups work with the Division and Department work proactively to identify and address current and future boater needs?
 - A. For example, can non-motorized vessels that benefit from state programs and services be asked to participate financially?
 - B. Can authorization be obtained for boater-derived funds to be utilized for site-specific studies of copper in impaired bodies of water, to ensure that decisions impacting boats are based on facts and science?
 - C. We should explore if the Boating and Waterways Commission can be provided authority and responsibility for decisions made on the expenditure of HWRF monies in a public and transparent process – as it held in the past.
5. With regard to the Boating and Waterways Commission:
 - A. What is the current status of the Commission appointees?
 - B. Is the COVID crisis presenting obstacles to allowing a quorum of the commission to meet on a regular basis?
 - C. Can the Commission membership conform with the provisions of the Harbors and Navigation Code including the requirement that one of the seven members must be an officer or employee of a law enforcement agency responsible for enforcing boating laws [specifically, a sheriff]?
6. With regard to the location of commission meetings:
 - A. The advocates for the boating community would like to engage with you on a discussion relative to the location of Commission meetings. It is our understanding that Commission meetings were previously distributed around the state to allow Commissioners to "tour" those facilities that might be receiving loan funding. Given that the program is rarely utilized these days, could attendance and participation by affected communities be improved by locating more meetings in the Sacramento region?

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These are significant, yet fundamental questions related to the HWRF that receives no general fund dollars. The answers will inform our community and industry as stakeholders who fund HWRF as well as other funds.

Sincerely,

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