

# DIP/DAR/Subaccount and Enterprise Funds

# Revenue Generation Program

- Enterprise Funding
- Revenue Incentive Subaccount
- District Incentive Program (DIP)
- Department Above Revenue Program (DAR)

# Enterprise Funding

## Overview

- **Consists of Prop 84 and Prop 40 dollars**, amounting to approximately \$13 million
- Money is for **capital outlay or support expenditures until 2019**
- Projects **must enhance** revenue for the Department



# Subaccount

## Revenue Incentive Subaccount Program

- Senate Bill 1018 (Chapter 39, Statutes of 2012)
  - Funds within the Subaccount are held within a **sub-fund of the** State Parks Recreation Fund
  - The funds are **available until fiscal year 2018/19**
  - The Subaccount receives \$4.34M annually until fiscal year 2018/19

# Subaccount

## Eligibility Criteria

Project must:

- Be consistent with the mission of California State Parks
- Be consistent with the Purpose, General Plan and Management Plan of the park unit
- Be complimentary to the public investment in the park, which provides public recreational opportunities consistent with the protection of significant historical, cultural, and natural resources
- Contribute to the success of the Department's revenue generation program by either:
  - Creating new opportunities for **increased revenue** potential
  - Maintaining existing opportunities which prevent revenue loss

# Subaccount

## Eligibility Criteria

Request for proposals is announced prior to the new fiscal year.

Proposals shall include:

- A clear description of the project
- A written analysis demonstrating the demand for the proposed project or service
- A timeframe for implementation of the project
- A financial pro-forma which includes
  - Projected revenue, including assumptions
  - Projected costs, including design, planning, construction, operation, staff, maintenance, marketing, and information technology (if applicable)
  - Projected rate of return on the investment
  - Proposed fee or pricing schedule
  - Assumed occupancy rates
  - any other relevant criteria upon which the forecast was based

# District Incentive Program (DIP)

## Definition

DIP was established pursuant to public resources code **section 5010.7(d)(1)**

***(1) (A) The department shall allocate 50 percent of the total amount of revenues deposited into the State Parks Revenue Incentive Subaccount pursuant to subdivision (c), generated by a park district to that district if the amount of revenues generated exceeds the targeted revenue amount prescribed in the revenue generation program. The revenues to be allocated to a park district that fails to achieve the revenue target shall remain in the subaccount.***

*(B) With the approval of the director, each district shall use the funds it receives from the department from the revenue generation program to improve the parks in that district through revenue generation programs and project and other activities that will assist in the district's revenue generation activities, and the programs, projects, and other activities shall be consistent with the mission and purpose of each unit with the plan developed for the unit pursuant to subdivision (a) of Section 5002.2*

## Translation:

- DIP funds may only be spent on projects which improve the park units or the visitor experience, create or maintain activities or programs, and assist with the District's revenue generation program

# Department Above Revenue (DAR)

## Definition

DAR was established pursuant to 5010.7(d)(2)

*(2) The department shall use 50 percent of the funds deposited into the State Parks Revenue Incentive Subaccount pursuant to subdivision (c) for the following purposes:*

*(A) To fund the capital costs of construction and installation of new revenue and fee collection equipment and technologies and other physical upgrades to existing state park system lands and facilities*

*(B) For costs of restoration, rehabilitation, and improvement of the state park system and its natural, historical, and visitor serving resources that enhance visitation and are designed to create opportunities to increase revenues*

*(C) For costs to the department to implement the action plan required to be developed by the department pursuant to Section 5019.92*

*(D) In accordance with the provisions of the subaccount, for expenditures to support revenue generation projects that include, but are not limited to, staffing kiosks, campgrounds and parking lots*



# Questions

If you have questions regarding the content of this presentation, please contact Brian Ketterer at [brian.ketterer@parks.ca.gov](mailto:brian.ketterer@parks.ca.gov).