

2018 Recreation and Conservation Leadership Summit

Pennsylvania Recreation and Park Society and
Pennsylvania Department of Conservation and Natural Resources

Sufficient and Sustainable Funding for Recreation and Conservation in Pennsylvania

Funding parks and recreation initiatives is a challenging and changing endeavor in the current social, economic and political times. In exploring a wide range of agencies and organizations to study these trends, there are some universal obstacles and challenges to address.

Some of these are related to limited funding from government sources, including the challenge of flat or reduced incomes while costs continue to grow. Others are related to the organization's ability to raise its own funds, through revenue producing programs and activities or through effective fundraising efforts. Unexpected challenges to structures or equipment, changes in staff, or the loss of grant source funding all compound the issues. In some cases, the very municipal structure that is in place to support an agency of parks and recreation is also the same structure that prevents that agency from actively fundraising, creating new budgetary structures, and exploring new development options. Over time, these issues will impact an organization's reputation in the community, its ability to grow and to address new needs in the community, and even its ability to remain sustainable.

Summary of Summit Sessions and Feedback from Professionals

At the summit, discussions in the five sessions led by this team were spirited and thorough, including both positive thinking and the opportunity to express frustrations among peers. Several themes emerged in both obstacles that are being faced by professionals as well as solutions for those obstacles. While obstacles seem to be somewhat universal, solutions and options for what is possible based on elected officials, strict budgets, grant funding, etc., seemed to limit the solution options available in many cases. Frustration was high when discussing these strong challenges. One thing that was very clear was the passion and dedication of these amazing professionals, many of whom are working for low pay with few perks to keep the parks they love open in the communities they live in.

Highlights from the Summit include the challenges of working with elected officials, competition among budgets, the changing workforce and inability to keep up with growing staff costs, as well as an aging infrastructure and the inability to keep pace with these costs. Solutions focused on a variety of ways to influence decision makers, keep generated revenues within their own budgets instead of going into a general fund, creative solutions for repair and maintenance such as using volunteers, and finding fundraising solutions within the restrictions set by their leadership. Communication was at the root of many of the discussions, including educating those who make decisions about the reality of the field and influencing them for the better.

Obstacles

- **Politics and Leadership**, including issues of making promotion of recreation a higher priority; educating elected officials on essential services/benefits of parks and recreation; unrealistic

budgets; turnover of officials; and a disconnect between what community says it wants and what it is willing to pay.

- **Staff Challenges**, including lack of or maintaining competitive wages; increasing staff costs, benefits; union contracts; changes in workforce and required skills; hiring talent; and competition for entry-level positions.
- **Maintenance/Aging Infrastructure**, including unfunded maintenance; rising capital improvement expenses; inability to save for proactive infrastructure investments; keeping up with replacement schedules, growth, and demand.
- **Lack of Funding and Competition**, including unfunded mandates, such as MS4 or ADA requirements; no funding for capital projects; regulatory restraints; competition for revenues and grants, traditional sources changing; incentivizing opportunities for funding; flat budgets; and undervaluing services that generate revenues.
- **Planning and Priorities**, including lack of planning to prioritize projects; insufficient action to carry out plans; lack of funding for planning; need for metrics and local data; and changing and competing priorities.
- **Fundraising Challenges**, including developing comprehensive sponsorship strategies; people resources for fund development; availability of grant match funds; foundation and donor saturation; meeting foundations' giving priorities; local government not allowing sponsorships; reluctance/approval to fundraise; inability to recognize donors in a meaningful way; securing foundation vs corporate dollars; perceptions that tax revenue already meets needs; and no fundraising staff

Funding Resource Overview

“On average, park and recreation agencies derive three-fifths of their operating budgets from general fund tax support, although the percentage of funding from general fund tax support tends to be lower at agencies with larger operating budgets. The second largest source of funding for most agencies is earned/generated revenues, accounting for an average of 25 percent of operating expenditures. Some agencies depend on special, dedicated taxes for part of their budgets. These park and recreation districts obtain the majority of their funding from tax levies dedicated to park and recreation purposes approved by citizen referenda” (NRPA, 2018, p. 22).

The exploration of new revenue sources, the use of a business model for financial oversight, using a realistic approach regarding expenditures and essential needs, and active fundraising may all provide solutions toward meeting funding goals.

Partnerships are also an option worth investigating, on a statewide scale as well as locally, to share the burden and the resources available to meet the overall goal of providing community health and wellness, recreation, and greenspace goals. Partnerships outside the norm, and consideration of the motivations and viability of unique partners in communities are also encouraged.

Fundraising and stewardship are additional pathways that many recreation organizations could utilize more effectively. In many cases, recreation organizations are not widely known or are taken for granted as a service provided by tax dollars. Organizations must address their image in the community, whether it's through media and outreach, through mending relationships with local elected officials who may be negative toward their work, or through addressing customer service and staffing issues that have led to a change in reputation or drop off of participation in the past. By improving the image in the community, organizations are better able to begin connecting with local donors and philanthropists who believe in supporting wellness, recreation, and open space.

Funding Resource Partnerships and Stewardship

Connecting to resources provided by more global entities such as the National Recreation and Park Association will also help organizations with resources in the form of statistics, research documents and infographics to begin working in their own community to more thoroughly address the importance of parks and recreation as an essential service in the community. Expanding programmatic reach to include diverse and underserved populations, social issues such as obesity and health, and encouragement of active recreation styles will connect organizations to new participants and additional dollars through those connections.

Conservation and protection organizations that have a purpose to protect and conserve land for the future, through conservation easements, sustainable building practices, and preservation of natural open space are also a part of the overall funding package. Financial backing for these projects, sometimes reaching into the millions, is essential to protect well fields, restore lost habitat, and protect endangered forests. Outreach and education around these endeavors are vital to connecting people to their local landscape and bringing to the forefront important impact and conservation issues that mainstream society may not be aware of. Fundraising and partnerships for these projects are also essential to their success, where many times municipal and local tax based funding is not available.

Agency-Specific Solutions

“The typical park and recreation agency generates \$19.36 in revenue annually for each resident living in the jurisdiction it serves. Agencies operating in lower-density population areas generate less revenue than do those in areas with a higher population density. The typical agency—operating in a jurisdiction with fewer than 500 people per square mile—makes \$7.27 in revenue on a per capita basis per year compared to a median of \$28.71 for agencies serving a jurisdiction with more than 2,500 people per square mile” (NRPA, 2018, p. 22).

On a broad scale in the field of parks and recreation, agency staff may also need the assistance of skilled consultants. For example, a fundraising consultant that can assist with setting up in-house processing systems to receive donations, develop online donations options, write effective fund drive mail appeals, and make recommendations on the best way to raise funds would have a substantial impact on reaching funding goals. Many organizations, however, cannot afford consultants and instead expect their already overworked staff to learn and execute fundraising. A skilled consultant is also able to lead strategic planning, develop a business plan for sustainable growth for the organization, or a capital campaign plan that can lead to sizeable dollars. These are all needed skills to support the growth of organizations. On the statewide level, a consortium may be developed allowing skilled consultants to be available on a project basis to advise local agencies. This would share the cost and the need to seek new advisors for each community project. A consortium or co-op that matches the skilled resource to the department in need would become an invaluable resource.

Creating a “Recreation Economy” and putting systems in place that incorporate and include recreation and park activities in every aspect of the community is essential to the future viability of this field. Supporting and sustaining parks as well as the recreation and sports activities they support is an important part of the status, wealth, and health of a community and must be acknowledged as such. Building in communication and outreach structures that remind the community at large that parks and recreation is an essential service falls on the shoulders of the people who run these organizations every day. Part education, part outreach, part exposure, this mix results in finding the sustainable and sufficient funding that these vital organizations need to remain so.

Local/Regional Strategies

1. **Operating Revenues.** Re-examine agency fee structures; determine a revenue threshold beyond which a certain amount from operations comes back to the department and not to the general fund. Explore new revenue generation possibilities.
2. **Business Plans.** Develop business plans to drive funding and demonstrate sustainability to elected officials. Institute cost-recovery policies with respect to user groups.
3. **Fundraising.** Establish a non-profit arm of an agency for major donor fundraising. Solicit local businesses and neighborhood groups for funding/sponsorship. Create Friends groups. Partner with local retailers in consumer-based fundraising. Piggyback with nonprofits for funding. Invest in training for fundraising. Utilize software to assist in issuing letters of support and sign petitions related to state and federal funding.
4. **Educating/Advocating.** Create an advocacy campaign to foster education of decision makers and community on the essential services of recreation and parks. Provide documenting data to decisions makers. Invite elected officials to events and experiential outings. Create park report cards and add legislators’ names to them. Piggyback with the statewide *Good for You, Good for All* branding and marketing campaign for local parks and events.

Recruit PRPS District Advocacy volunteers who will support District members in meeting with local politicians. Require PRPS Board Members to meet with a minimum of three elected officials every year to communicate the value of parks and recreation and robust nature of a “Recreation Economy.”

5. **Training.** Invest in training to better document value and tell the compelling stories. Provide PRPS District level training on how to utilize fundraising tools and how to engage with local politicians.

Statewide Strategies

1. **Statewide Consortium.** Develop statewide consortium or cooperative that could advise small agencies on fundraising strategies at an affordable cost. Expand and improve partnerships with other organizations to advocate for sustained and improved funding.

2. **Expand Statewide Marketing.** Further develop “Good for You, Good for All” promotional tools, including talking points, case statements and engaging visuals that communicate the essential services of parks and recreation (update these tools annually and provide new graphics every 6-months to keep communications fresh and relevant).
3. **Advocate.** Advocate for sustainable funding from local and state governments. Align with parallel-missioned organizations like Growing Greener Coalition for greater impact. Promote the proven value of existing funds like the Keystone Park, Recreation and Conservation Fund, and the Environmental Stewardship Fund.
4. **Benchmarking.** Utilize the PA Park Maintenance Institute research, tools, and benchmarking to justify staff and equipment expenditures related to park maintenance.
5. **RecTAP.** Expand and promote RecTAP as a technical assistance resource that can activate solutions to funding issues.

Personal Strategies

1. **Funding.** Identify three new funding strategies you can implement for your agency. Establish two need donation/sponsor sources for new or existing programs.
2. **Collaborations.** Develop two new collaborative partnerships for your parks, programs or facilities. Create an ongoing advisory committee to help identify strategic partnerships.
3. **Advocate.** Develop four arguments you can use with elected officials or other oversight body, to increase funding for your agency.

Further Reading

- ChangeLab Solutions & Jarvis, Fay, Doporto, & Gibson LLP. (2015). *Local agency strategies for funding the development and maintenance of parks and recreation facilities in California*. Retrieved from http://www.changelabsolutions.org/sites/default/files/Parks-Financing_White-Paper_FINAL_20150713.pdf
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- National Recreation and Park Association. (2018). *2018 NRPA Agency Performance Review: Park and Recreation Agency Performance Benchmarks*. Retrieved from <https://www.nrpa.org/siteassets/nrpa-agency-performance-review.pdf>

Pennsylvania Growing Greener Coalition. (2016). *Finding the Green! A Guide to State Funding Opportunities for Conservation, Recreation, and Preservation Projects*. Retrieved from http://www.docs.dcnr.pa.gov/cs/groups/public/documents/document/dcnr_20028890.pdf

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National Recreation and Park Association. (2018). *2018 NRPA Agency Performance Review: Park and Recreation Agency Performance Benchmarks*. Retrieved from <https://www.nrpa.org/siteassets/nrpa-agency-performance-review.pdf>

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Appendix: Other Funding Opportunities

1. Tax/Levied Sources

- Special Service District
- Business Improvement District (tax)
- Tax Increment Finance District (tax)
- Sales & Use Tax
- General Obligation Bond
- Levy on Property tax
- Special Purpose Levy
- Parking Fees (municipal)
- Transfer of Development Rights
- Open Space Tax
- Tourism “Pillow” Tax / Grants
- Fee-in-lieu

2. Capital Development Sources

- Capitalize Maintenance Cost
- Park Dedication Fee (developer dedicated use)
- Zoning Incentives
- Transfer Development Rights
- Impact Development Fees
- Easements
- Greenways
- Conservancies

3. Public-Private Partnerships

- Schools
- Municipalities
- Public/Local Agencies

- State and/or Federal Agencies
- Corporate (ex: REI)
- Foundations
- Special Interest Groups / Clubs
- Individuals

4. Operational Fees (Annual)

- Programming Fees
- Advertising
- Exclusive Product Placement
- Contractual Fees
- Concessions
- Admission Fees
- Parking Fees (facility)
- Outsourced programs
- Grants
- Endowments

5. Donated Fees / Development / Philanthropy

- Donations / Stewardship
- Crowdfunding
- Scholarships
- Sponsors - private & corporate

6. Naming Rights

7. Bequests