

## Regular Article

# Trends in Local Park and Recreation Department Finances and Staffing from 1964-65 to 1999-2000

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**ABSTRACT:** The comprehensive data set used in this paper was derived from local government entities in the U.S. for the period 1964-65 to 1999-2000. These data are collected by the Census Bureau from all 87,000 units of local government in years ending in "2" or "7". In the non-census years the data are collected from a survey of approximately 13,000 non-school local governments, selected by a size-based sampling procedure.

Self-generated revenues increased substantially over this period and by the end of it approximately one out of every three operating dollars allocated for parks and recreation came from user sources. Analysis of total local government expenditures on parks and recreation using constant, adjusted dollars revealed that there was an average annual decrease in the 1976-77 to 1985-86 period of \$13 million. This was the era in which the tax limitation movement peaked and it was subject to the severe economic recession in the early 1980s. In contrast, increases in annual expenditures in the most recent 1994-95 to 1999-2000 era averaged \$595 million. This level of expenditure was unprecedented, suggesting that in the future when these data are reviewed from an historical perspective, this period may be considered to be the field's "golden era". Typically, approximately one-quarter of annual budgets were for capital projects and these increased in constant, adjusted dollars by 58% between 1993-94 and 1999-2000. In 1999-2000, \$5.8 billion in actual dollars was invested in capital projects in parks and recreation by local governments. It was estimated that capital investment in the 1964-65 to 1999-2000 period exceeded \$70 billion (adjusted 1990 dollars), while tax support for operating expenses over the same period increased by less than 5%.

Per capita expenditures on local parks and recreation averaged \$74.58 in the U.S. in 1999-2000, of which \$20.87 was invested in capital projects and \$53.72 was for operating expenses. These national averages obscured an extraordinary range of differences among the states where total per capita expenditures ranged from \$20.58 in Vermont to \$179.21 in North Dakota. The number of full-time employees in the field hired by local entities was 145,000 in 1977-78 and 142,000 in 1996-97. In the last three years of the 1990s, it increased to 153,000. During this period, part-time employees increased from 26,000 to 172,000. On average, it was estimated that approximately one full-time staff member has been hired for each \$9 million of capital investment in the 1978-79 to 1999-2000 period. During this same period, it was estimated that approximately 94,000 full and part-time positions had been contracted out to the private sector to do work that was previously done by public sector employees.

**KEY WORDS:** local government, parks and recreation, revenue, expenditures, employment

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## Introduction

In the past 20 years, every survey of public park and recreation practitioners that has sought to identify the field's major issues and challenges has reported that lack of finances is at the top of their list (Crompton, 1999). It underlies many other sources of concern, such as deteriorating infrastructure, facility renovations, and the need to acquire and develop new areas, facilities, and services. Over the years, the authors have heard frequent anecdotal comments from professionals that tax funds which have been made available to deliver services have not been commensurate either with the demands of citizens for expansion of park and recreation services and for improvements in their quality, or with the expectations that elected officials place on agencies.

These survey results are reinforced at professional meetings and in informal conversations with professionals, many of whom will offer the view that their services received more funding in "the good old days". These opinions usually are based on personal experience (which is often selective) and generalization from anecdotes they have heard from peers or seen in professional publications. The analyses reported in this paper examine the validity of such anecdotal perspectives. They are intended to offer an empirical assessment of the financial and staffing status of local park and recreation services in recent years and to provide an historical context and perspective within which to evaluate that status. Four trends are presented in this paper relating to the status of local public park and recreation agencies: i) self-generated revenue; ii) operating expenditures; iii) capital expenditures; and iv) employment.

The period for which trends are analyzed extends from 1964-65 to 1999-2000. The end of the twentieth century is a natural time marker for reflecting on the ebbs and flows of a field in previous decades, and for assessing its contemporary status by evaluating it in an historical context. If a single year has to be selected as being representative of the onset of the "modern" era of public park and recreation services, then a good case can be made for 1964-65. This year immediately followed the publication of the landmark Outdoor Recreation Resources Review Commission reports and the passing of the Land and Water Conservation Fund. Although these were federal events, they stimulated public awareness and prompted substantial local investment in parks and recreation.

Two earlier papers have reported trends on the four issues addressed here using similar data. First, McCarville & Crompton (1988) reviewed trends in the 1980-81 to 1984-85 period. Their main goal was, "to review financial and employment-related indicators that suggest how local park and recreation departments have fared in the wake of the tax reform movement and the trends towards a pay-as-you-go policy" (p. 48). Their conclusion that overall when viewed from a national, aggregated perspective, "The tax reduction movement has not resulted in substantial cutbacks in resources for local park and recreation services across the country" (p. 53) was surprising to many contemporary managers. This was contrary to the prevailing conventional wisdom at the time, which probably evolved from the generalization of well-publicized cutbacks in some parts of the country (e.g., California). However, the data suggested that these were countered by continued growth in budgets in other parts of the country.

This early fiscal analysis was substantially extended by Crompton and McGregor (1994) who expanded the trends analysis period from 1964-65 to 1990-91, and examined these trends in six bellweather states as well as in the U.S. as a whole. They concluded: i) the potential for future substantial increases in self-generated revenue had been exhausted; ii) increases in real dollars of park and recreation budgets in the period 1984-1991 were much larger than at any other time in the history of the field; iii) part-time employment during the study period increased substantially, but full-time employment numbers at the end of the study period were similar to those reported 15 years earlier. The extended historical context they provided suggested that McCarville and Crompton's earlier optimistic comments on the impact of the tax reduction movement needed to be tempered and qualified.

This study extends the earlier work in three ways. First, the time period of the analysis has been expanded so it now embraces the period 1964-65 to 1999-2000. Second, separate trends in capital expenditures and operating expenditures have been introduced and these are available from 1989-90 to 1999-2000. Third, the analyses were extended to include data from all 50 states, rather than only the six "bellwether" states that were incorporated into the earlier paper.

Interpretations of the trends data and potential explanations for the trends are interjected throughout the manuscript. These are subjective and merely represent the authors' views. To the best of our knowledge, there are no in-depth case studies available that offer empirical explanations for these trends. Invariably, there are likely to be multiple factors explaining a trend and the extent to which these impact a particular agency is likely to vary widely. Nevertheless, it is hoped that the authors' suggestions of possible underlying explanations will offer managers a starting point from which to explain both trends in their own agencies, and the relationship of a particular agency's trends with the aggregate benchmark data presented in the paper.

## Methods

Data were collected from the United States Census Bureau website pertaining to State and Local Government Finances (<http://www.census.gov/govs/www/estimate.html>) and Local Government Employment and Payroll Data (<http://www.census.gov/govs/www/apesloc.html>). The data were collected by the Census Bureau in two ways. First, from a survey of all 87,000 local government jurisdictions which has been conducted in census years ending in “2” and “7” every five years since 1957. Second, in non-census years the data are derived from a survey of approximately 13,000 non-school local governments which are selected by a size-based sampling procedure (Government Finance and Employment Classification Manual, 2003).

The Census Bureau started reporting these data on their website in 1989-90. Prior to that time, they were reported in annual publications. The shift to on-line reporting enabled two additional analyses to be undertaken for years 1989-90 to 1999-2000 that were not available to Crompton and McGregor (1994) in their earlier analyses. First, capital and operational expenditure data could now be separated and analyzed independently. Second, data on all 50 states could be analyzed, rather than only the six bellweather states used in the earlier analyses.

Definitions of the data categories used in this study were provided by the Government Finance and Employment Classification Manual (2003) (<http://www.census.gov/govs/www/class.html>). The data analyzed here are confined to *local governments* which comprise municipalities, counties, townships, special districts, and school district governments, with the latter category excluding “school systems that are dependent on a county, municipal, township, or state government” ([http://www.census.gov/govs/www/class\\_ch3.html#S3.11](http://www.census.gov/govs/www/class_ch3.html#S3.11)). The specific definitions are described in Figure 1.

The Census Bureau defines the government function of *parks and recreation* as the “provision and support of recreational and cultural-scientific facilities maintained for the benefit of residents and visitors” (<http://www.census.gov/govs/www/classfunc61.html>). Examples of such facilities include:

“golf courses, playgrounds, tennis courts, public beaches, swimming pools, play fields, parks, camping areas, recreational piers and marinas, etc., including support of private facilities; galleries, museums, zoos, and botanical gardens; auditoriums, stadiums, recreational centers, convention centers, and exhibition halls; community music, drama, and celebrations including public support of cultural activities” (<http://www.census.gov/govs/www/classfunc61.html>).

This definition excludes recreational and cultural-scientific activities and facilities operated as part of school systems, as well as marinas operated for commerce rather than recreation.

**Figure 1**  
**Definitions of the Sample From Which Data Were Collected**

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Government services are provided through a complex structure made up of numerous public bodies and agencies. The Census Bureau identified 87,504 governments during the 1997 Census of Governments. In addition to the Federal Government and the 50 state governments, the Bureau recognizes five basic types of local governments, as follows:

- *County Governments*(3,043), which exist in all states except Connecticut and Rhode Island and in the District of Columbia, are created to provide general government activities in specified geographic areas. They include entities called boroughs in Alaska, parishes in Louisiana, and counties in all other states.
- *Municipal Governments*(19,372), which are established to provide general government services for a specific population concentration in a defined area. They include cities, boroughs (except in Alaska), villages, and towns (except in the six New England states, Minnesota, New York and Wisconsin). Composite city-county governments are treated as municipal governments for Census Bureau purposes.
- *Township Governments*(16,629), which are established to provide general government services for areas without regard to population concentrations. They include towns in the six New England states, Minnesota, New York and Wisconsin, and townships in eleven other states.
- *Special District Governments*(34,683), which are established to provide only one or a limited number of designated functions and having sufficient administrative and fiscal autonomy to qualify as independent governments.
- *School District Governments*(13,726), which are created to provide public elementary, secondary, and/or higher education and having sufficient administrative and fiscal autonomy to qualify as independent governments. They exclude school systems that are "dependent" on a county, municipal, township, or state government.

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Source: Government Finance and Employment Classification Manual (2003).

The financial data collected for each year were reported in actual dollars, but the authors converted them into constant 1990 dollars. For data relating to revenue, total-expenditures, and non-capital expenditures, a price index for state and local government consumption and expenditures was used to convert actual dollars to adjusted dollars (Bureau of Economic Analysis, <http://www.bea.gov/bea/dn/nipaweb/SelectTable.asp?Selected=Y#S7>). For the capital expenditures data, a construction cost index was obtained from the *Engineering News-Record*, a publication of McGraw-Hill Construction (<http://enr.construction.com/features/conEco/costIndexes/constIndexHist.asp>). The use of indexes facilitated comparisons of annual data on a longitudinal basis by establishing inflation-free trends. All discussion in this paper relates to adjusted dollars unless otherwise stated.

### **Revenue Generated by Local Park and Recreation Departments**

The U.S. Census Bureau refers to government revenue as current charges and defines them as “amounts received from the public for performance of specific services which benefit the person charged and from sale of commodities or services other than utilities and liquor stores” ([http://www.census.gov/govs/www/class\\_ch7\\_current.html](http://www.census.gov/govs/www/class_ch7_current.html)). Subsequently, parks and recreation revenue is specifically defined as:

Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities.

Self-generated revenue trends are shown in Table 1. The data in column 3 suggest there have been two eras of revenue over the 35-year period reviewed here. In the low growth era (1964-65 to 1981-82), the average annual revenue growth in adjusted dollars was \$32.5 million. In the period 1982-83 to 1999-2000, the average growth was \$135.2 million.

The demarcation line approximates the widespread emergence of the tax limitation movement which was most dramatically manifested in 1978 with the passing of Proposition 13 in California and subsequently reverberated across the nation to impact numerous states and municipalities in the following years. By 1990, only six states were not constrained by some form of tax limitation (Crompton, 1999). The dramatic retrenchment in the public attitude towards government taxation mandated increased reliance on self-generated revenues such as fees, concessions, leases and rentals. The adverse impact of the tax limitation movement was reinforced in the early 1980s by the worst economic downturn since the 1930s, which further reduced government tax revenues.

This notion of two eras is reaffirmed by the data in column 5. In the first era, the amount of self-generated revenue reported by agencies as a percentage of total agency expenditures increased from 14.04% to 18.57%, while in the later part of the latter era this percentage was consistently between 24% and 25%. During the 1990s, this percentage remained remarkably stable, suggesting that this is a maximum and is unlikely to increase. However, while the percentage remained stable, the dollars raised from self-generated revenue increased concomitantly with total agency expenditures.

In adjusted dollars, there was a 450% increase in self-generated revenues during the 35 year period (Table 1, column 2). However, this reflected only a 10.46% increase in the proportion of self-generated dollars to total expenditures on park and recreation services (Table 1, column 5). During the 1991-92 to 1999-2000 period, there was an increase of almost

**Table 1**  
**Revenue Generated by Local Park and Recreation Agencies**  
**(millions of dollars) Expressed as a Ratio of Their Total Expenditures**  
**and Their Operational (Non-Capital) Expenditures**

Year	1 Actual Revenue	2 Adjusted Revenue	3 Annual Revenue Difference	4 Adjusted Total Expenditures	5 Revenue as a a % of Total Expenditures	6 Adjusted Non-Capital Expenditures	7 Revenue as a % of Non-Capital Expenditures
1964-65	155	720		5,125	14.04%		
1965-66	175	774	54	5,250	14.74%		
1966-67	191	800	26	5,419	14.77%		
1967-68	178	708	-92	5,617	12.61%		
1968-69	236	880	172	6,133	14.35%		
1969-70	273	940	61	6,504	14.46%		
1970-71	316	1,016	76	6,783	14.98%		
1971-72	360	1,093	77	7,052	15.50%		
1972-73	395	1,114	21	7,220	15.42%		
1973-74	442	1,122	8	7,491	14.98%		
1974-75	493	1,140	18	8,006	14.24%		
1975-76	568	1,238	98	8,422	14.70%		
1976-77	626	1,283	45	7,932	16.17%		
1977-78	687	1,320	38	8,182	16.14%		
1978-79	795	1,402	82	8,365	16.77%		
1979-80	891	1,413	11	8,323	16.98%		
1980-81	1,043	1,505	92	8,275	18.19%		
1981-82	1,123	1,522	17	8,194	18.57%		
1982-83	1,308	1,698	175	8,550	19.85%		
1983-84	1,453	1,805	107	8,641	20.89%		
1984-85	1,600	1,913	108	9,070	21.09%		
1985-86	1,684	1,958	45	8,294	23.61%		
1986-87	1,903	2,122	164	10,151	20.91%		
1987-88	2,413	2,612	490	10,885	24.00%		
1988-89	2,474	2,587	-25	11,057	23.39%		
1989-90	2,608	2,608	21	11,855	22.00%	8,579	30.40%
1990-91	2,819	2,740	132	12,818	21.38%	9,002	30.44%
1991-92	3,134	2,991	251	12,445	24.03%	9,344	32.01%
1992-93	3,284	3,056	65	12,567	24.32%	9,631	31.73%
1993-94	3,418	3,099	43	12,580	24.63%	9,653	32.10%
1994-95	3,658	3,224	125	13,152	24.51%	10,125	31.84%
1995-96	3,916	3,374	150	13,848	24.36%	10,262	32.88%
1996-97	4,273	3,589	215	14,538	24.69%	10,641	33.73%
1997-98	4,616	3,811	222	15,252	24.99%	11,238	33.91%
1998-99	4,880	3,917	106	15,713	24.93%	11,328	34.58%
1999-2000	5,142	3,956	39	16,149	24.50%	11,631	34.01%

\$1 billion in self-generated revenues but this did not result in any substantial increase in the proportion of self-generated dollars to total expenditures over this time period.

Since the Census Bureau commenced reporting these data online in 1989-90, it has been possible to separate operational and capital expenditures. In the authors' experience, most legislative bodies are concerned only with the extent to which self-generated income contributes to operating budgets. Generally, such revenues are not expected to contribute to the funding of capital projects (exceptions would be facilities funded by debt instruments not backed by full-faith and credit tax funding). The last two columns of Table 1 show that self-generated revenues typically contribute approximately one-third to operating budgets. For example, the most recent data (1999-2000) report self-generated revenues of \$5.142 billion (\$3.956 billion adjusted dollars) out of a total operating budget of \$16.149 billion (\$11.631 billion adjusted dollars), suggesting that for every \$2 of tax funds they receive, agencies are expected to generate \$1 from users of their services. This pattern was consistent throughout the 1990s.

These data have equity implications. The parks and recreation field initially was regarded as a welfare service, concerned with ensuring that opportunities for the economically disadvantaged would be improved. Over time, this compensatory approach was gradually replaced by notions of equality under which all residents received equal emphasis in the allocation of resources (Crompton & Wicks, 1988). The data in Table 1 suggest to the authors that in the past decade the field has moved more towards a market equity model, under which more fee-based programs have been introduced, higher prices have been imposed, and residents buy as little or as much of a service as they can afford at the given price.

### **Total Local Government Expenditures and Expenditures on Park and Recreation Services**

Total expenditures for parks and recreation comprise expenditures for capital outlay, current operations, assistance and subsidies, interest on debt, and insurance benefits and repayments ([http://www.census.gov/govs/www/class\\_ch8\\_charta.html](http://www.census.gov/govs/www/class_ch8_charta.html)). When total expenditures for all local government departments are described, these data also include intergovernmental expenditure.

Table 2 shows annual total local government expenditures, local government expenditures on park and recreation services, and the ratio of parks and recreation to total local government spending. The data exhibit four distinctive eras: pre-tax limitation era (1964-65 to 1975-76) in which the annual increase in adjusted dollars allocated to park and recreation services averaged \$300 million (Table 2, column 6); peak years of the tax revolt and the 1980s recession (1976-77 to 1985-86) characterized by a dramatic curtailment with average annual *decreases* of \$13 million; the 1986-87 to 1993-94 period in which the average annual increase surged to \$394 million; and the most recent era studied (1994-95 to 1999-2000) in



**Table 2**  
**Total Expenditures of All Local Governments and**  
**Their Expenditures on Park and Recreation Services (millions of dollars)**

Year	Total Local Government Expenditures			Local Government Expenditures on Parks & Recreation			7 Ratio of Column 5 over Column 2
	1 Actual Dollars	2 Adjusted Dollars	3 Annual Difference	4 Actual Dollars	5 Adjusted Dollars	6 Annual Difference	
1964-65	48,405	224,708		1,104	5,125		2.28%
1965-66	53,680	237,427	12,719	1,187	5,250	125	2.21%
1966-67	59,522	249,437	12,010	1,293	5,419	168	2.17%
1967-68	63,966	254,446	5,010	1,412	5,617	198	2.21%
1968-69	73,483	273,963	19,517	1,645	6,133	516	2.24%
1969-70	82,582	284,497	10,533	1,888	6,504	371	2.29%
1970-71	94,196	302,946	18,449	2,109	6,783	279	2.24%
1971-72	104,822	318,233	15,287	2,323	7,052	270	2.22%
1972-73	113,822	320,907	2,673	2,561	7,220	168	2.25%
1973-74	124,660	316,482	-4,425	2,951	7,491	271	2.37%
1974-75	143,148	331,015	14,533	3,462	8,006	514	2.42%
1975-76	159,720	348,127	17,112	3,864	8,422	416	2.42%
1976-77	169,467	347,236	-891	3,871	7,932	-490	2.28%
1977-78	182,995	351,703	4,467	4,257	8,182	250	2.33%
1978-79	201,470	355,419	3,716	4,742	8,365	184	2.35%
1979-80	223,621	354,698	-721	5,247	8,323	-43	2.35%
1980-81	245,102	353,676	-1,022	5,735	8,275	-47	2.34%
1981-82	262,783	356,165	2,489	6,046	8,194	-81	2.30%
1982-83	280,924	364,579	8,415	6,588	8,550	355	2.35%
1983-84	301,974	375,116	10,537	6,956	8,641	91	2.30%
1984-85	390,961	467,396	92,279	7,587	9,070	429	1.94%
1985-86	423,961	492,962	25,566	7,133	8,294	-776	1.68%
1986-87	458,592	511,420	18,458	9,102	10,151	1,857	1.98%
1987-88	491,163	531,641	20,221	10,056	10,885	734	2.05%
1988-89	528,167	552,201	20,560	10,576	11,057	173	2.00%
1989-90	575,371	575,371	23,170	11,855	11,855	798	2.06%
1990-91	623,436	605,993	30,622	13,187	12,818	963	2.12%
1991-92	655,103	625,207	19,214	13,040	12,445	-373	1.99%
1992-93	688,285	640,486	15,280	13,505	12,567	122	1.96%
1993-94	719,136	651,944	11,458	13,876	12,580	12	1.93%
1994-95	759,368	669,195	17,251	14,924	13,152	572	1.97%
1995-96	794,318	684,384	15,190	16,073	13,848	697	2.02%
1996-97	836,577	702,666	18,282	17,308	14,538	689	2.07%
1997-98	884,759	730,530	27,864	18,472	15,252	715	2.09%
1998-99	938,641	753,501	22,971	19,574	15,713	461	2.09%
1999-2000	996,267	766,551	13,049	20,989	16,149	436	2.11%

which the average annual increase was a remarkable \$595 million. After the tax revolt and economic downturn in the early 1980s, the economy rebounded and the budgets of many park and recreation agencies improved dramatically. In the mid- and late-1990s, the U.S. economy experienced unprecedented growth and this was reflected in the enhanced budget situation of park and recreation agencies.

Columns 1, 2 and 3 of Table 2 provide data related to total local government expenditures. The data in Table 2 show that expenditure patterns on park and recreation services tend to reflect those of total local government expenditures. Column 7 (Table 2) indicates that for the core years of the tax revolt period, the proportion of expenditures on park and recreation services stayed above 2.30% of total expenditures, falling below 2% in the last two years of that era on account of the 1980s recession. This 2.30% is a higher ratio than was attained in all previous years except those immediately before the tax revolt period from 1973-74 to 1975-76. There is no evidence here, when the data are viewed in total, to support the notion that park and recreation budgets disproportionately decreased during that period relative to all other services. Annual increases in park and recreation expenditures declined dramatically during the tax revolt period, but so did the increases in total local government expenditures.

The percentages in column 7 (Table 2) may appear to be low. This is because the total expenditures of local governments include many local entities that do not deliver park and recreation services. If the total expenditures of only those entities that offered park and recreation services were listed, then the percentages shown in column 7 would be substantially higher.

The lowest ratios (Table 2, column 7) have occurred in the post-tax-revolt era, which is the period during which there were the most substantial increases ever experienced in local park and recreation expenditures. However, these increases were lower than the proportionate increases in overall local government expenditures. This suggests that in the broad context of the United States as a whole, park and recreation interests have been relatively successful in fending off disproportionate cuts in their budgets in difficult times, but have been less successful in securing proportionate increases in budgets when economic conditions improve.

It is possible to break out the total expenditure data reported in Table 2 into capital and operating expenditures for the period 1989-90 to 1999-2000 and these are shown in Tables 3 and 4, respectively.

The Census Bureau defines capital outlay as “direct expenditure for purchase or construction, by contract or force account, of buildings and other improvements; for purchase of land, equipment, and existing structures; and for payments on capital leases” ([http://www.census.gov/govs/www/class\\_ch8\\_charta.html](http://www.census.gov/govs/www/class_ch8_charta.html)). The Bureau further clarifies this by stating:

Certain terms (such as rehabilitate, remodel, resurface, renovate, etc.) can denote either construction or maintenance and repair (i.e., current operations). Their classification is based on the

circumstances surrounding each situation. If the term refers to activities that materially extend the life or add value to the property, then they are classified under construction; otherwise, they are classified under current operations. No other practical standard (such as dollar amounts) can be uniformly applied to all levels of government.

Receipts arising from insurance adjustments, sales of equipment, reimbursements, and the like are classified as revenue rather than as offsets to capital outlay expenditure.

Table 3 shows that at the end of the 1990s, annual capital funding for local parks and recreation was over \$5.8 billion (column 3) and this represented 27.66% of local park and recreation agencies' annual budgets (column 6). Given that many capital expenditures are dependent on the approval of voters at bond referenda, it was expected that there would be some volatility in the trends, but in the seven-year period from 1993-94 to 1999-2000 there was an upward trend that was especially prominent in the last two years of the analysis. During this seven year period, real capital expenditures increased by over 58% (column 4). Column 5 indicates that in the same period an increased percentage of local governments' capital expenditures were invested in park and recreation facilities.

The data in Table 4 relate to non-capital (i.e., operating) expenditures. These comprise all total expenditures, with the exception of capital expenditures as defined above. Hence, they include expenditures for current operations, assistance and subsidies, insurance benefits and repayments, and intergovernmental expenditures. The trend in Table 4 (column 4), like that in Table 3, shows consistent annual increases in adjusted dollar operating budgets. However, the field receives a substantially lower percentage of local government's operating dollars than of their capital dollars (for example, 1.77% compared to 4.17% in 1999-2000).

The consistent increase in adjusted dollars indicates that the annual increases exceeded the general level of inflation. However, this does not necessarily imply improvements in service quality because if the number of people served or the number of services offered increased proportionately, then the increased resources would result only in maintenance of existing service levels.

One indicator of the extent to which this occurs is suggested by the capital data in Table 3. Over the 11-year time period displayed in Table 3, capital expenditures of \$38.76 billion (adjusted dollars) were invested in the parks and recreation field. However, to operate these additional facilities, local agencies received only an additional \$3.05 billion (Table 4, column 4), of which \$1.35 billion was self-generated (Table 1). Thus, the annual tax resource made available to support these new facilities was \$1.7 billion, which is less than 5% of the capital invested. These data appear to endorse the prevailing conventional wisdom that while voters are prepared to invest substantial capital resources at bond referenda, their elected

**Table 3**  
**Local Government Capital Expenditures and**  
**Their Capital Expenditures on Parks and Recreation**  
**(millions of dollars)**

Year	Local Government Total		Local Government Parks & Recreation			
	1 Actual Capital Expenditures	2 Adjusted Capital Expenditures	3 Actual Capital Expenditures	4 Adjusted Capital Expenditures	5 Ratio of Column 4 over Column 2	6 P&R Capital Exps. as a % of P&R Total Exps.
1989-90	77,578	77,578	3,276	3,276	4.22%	27.63%
1990-91	83,713	81,930	3,926	3,842	4.69%	29.98%
1991-92	84,577	80,285	3,249	3,084	3.84%	24.78%
1992-93	85,747	77,880	3,155	2,866	3.68%	22.80%
1993-94	84,606	74,030	3,228	2,825	3.82%	22.45%
1994-95	93,611	80,966	3,435	2,971	3.67%	22.59%
1995-96	99,984	84,186	4,163	3,505	4.16%	25.31%
1996-97	113,388	92,096	4,639	3,768	4.09%	25.92%
1997-98	117,430	93,865	4,861	3,886	4.14%	25.48%
1998-99	129,974	101,508	5,463	4,267	4.20%	27.15%
1999-2000	140,830	107,122	5,872	4,467	4.17%	27.66%

**Table 4**  
**Local Government Operational (Non-Capital) Expenditures and Their**  
**Operational Expenditures on Parks and Recreation (millions of dollars)**

Year	Local Government Total		Local Government Parks & Recreation			
	1 Actual Non-Capital Expenditures	2 Adjusted Non-Capital Expenditures	3 Actual Non-Capital Expenditures	4 Adjusted Non-Capital Expenditures	5 Ratio of Column 4 over Column 2	6 P&R Non-Capital Exps. as a % of P&R Total Exps.
1989-90	497,793	497,793	8,579	8,579	1.72%	72.37%
1990-91	539,723	524,622	9,261	9,002	1.72%	70.23%
1991-92	570,526	544,490	9,791	9,344	1.72%	75.08%
1992-93	602,538	560,694	10,350	9,631	1.72%	76.64%
1993-94	634,530	575,243	10,648	9,653	1.68%	76.74%
1994-95	665,757	586,700	11,489	10,125	1.73%	76.98%
1995-96	694,334	598,238	11,910	10,262	1.72%	74.10%
1996-97	723,189	607,428	12,669	10,641	1.75%	73.20%
1997-98	767,329	633,570	13,611	11,238	1.77%	73.68%
1998-99	808,667	649,164	14,111	11,328	1.74%	72.09%
1999-2000	855,437	658,193	15,117	11,631	1.77%	72.02%

representatives, who in most cases establish operating budgets, are reluctant to provide concomitant levels of tax support to operate those facilities.

Table 5 reports the aggregate dollar and the per capita expenditures on local park and recreation services in the U.S. and of the individual states in FY 1999-2000. It shows that the national average was \$74.58, of which \$20.87 was invested in capital projects and \$53.72 was for operating expenses<sup>1</sup>. However, these national averages obscure an extraordinary range in the level of expenditures on these services among the states. Total expenditures (column 2) by local governments on parks and recreation ranged from average low per capita amounts of \$20.58, \$23.30 and \$25.41 in Vermont, Arkansas and Delaware, respectively, to average high per capita amounts of \$179.21, \$176.23, \$156.52, \$146.85 and \$141.08 in North Dakota, Nevada, Colorado, Illinois, Hawaii, respectively. While some of this variation may be attributable to differences in the cost of living among the states, some might also be reflective of different perceptions held by residents and elected officials in different states of the importance and priority of park and recreation services.

#### **Parks and Recreation Employment in Local Government**

The U.S. Census Bureau classification of an employee as full-time or part-time is determined by the workweek standard used by the reporting government jurisdiction itself. Full-time employees are "persons employed during the pay period to work the number of hours that represents regular full-time employment. [This category] includes temporary or seasonal employees who are working the number of hours that represents full-time employment."

([http://www.census.gov/govs/www/class\\_ch5.html#s5.22](http://www.census.gov/govs/www/class_ch5.html#s5.22)).

Part-time employees are:

"persons employed on a part-time basis during the designated pay period. Include those daily or hourly employees usually engaged for less than the regular full-time workweek, as well as any part-time paid officials. Exclude here, and report as full-time, any temporary or seasonal employees working on a full-time basis during this pay period ([http://www.census.gov/govs/www/class\\_ch5.html#s5.22](http://www.census.gov/govs/www/class_ch5.html#s5.22))."

Between 1995 and 1997, the reference month for employment data was changed from October to March. Consequently, a survey was not conducted in 1996 and no data are presented for 1995-96 in Table 6.

There was consistent growth in the number of full-time employees until 1977-78, which presumably reflected the consistent increases in agencies' annual budgets which was noted in Table 2. With the impact of the tax revolt movement and the dramatic annual budget cuts noted in

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<sup>1</sup>The national averages shown in line 1 of the table differ from the state average shown in the last line of the table because they include data for Washington, DC.

Table 2, the number of full-time employees decreased each year from 1978-79 to 1983-84. There have been gradual increases since that time, but the data in Table 6 show that the number of full-time employees in 1996-97 was lower than the number in 1977-78. However, there was a marked increase in these numbers in the last three years of the 1990s.

The tax revolt of the 1970s instigated a permanent impact on employment patterns. While full-time public agency staff were adversely affected, there were substantial increases in part-time employment, and in private sector employment accruing from the increased proclivity of public agencies to contract-out services for which their employees had previously been responsible.

Before 1978-79, the number of part-time employees increased at about the same rate as full-time staff, but since that time almost all net increases in employment numbers have been attributed to part-time positions. Part-time employees increased between 1977-78 and 1999-2000 from 76,000 to 172,000. These changes to part-time staff do lead to cost reductions and enhanced flexibility, but this may be at the price of reduced staff skill and dedication.

Table 3 reported capital investment of \$38.76 billion in 1990 adjusted dollars from 1989-90 to 1999-2000. Data prior to this period reporting capital investments are not available. However, the average in the 1989-90 to 1994-95 period approximated \$3 billion per year. If this is extrapolated back from 1989-90 to include the 1978-79 year, then it suggests that approximately \$33 billion would have been expended during that 11-year period. Thus, for the 1978-79 to 1999-2000 period, total capital investment in local park and recreation facilities is likely to have exceeded \$70 billion. To service this investment, local governments have hired only 8,000 additional full-time staff (145,000 to 153,000), which approximates to one full-time staff person for each \$9 million of capital investment—an extraordinary ratio!

An attempt was made to estimate the extent of contracting out in parks and recreation in Table 7 by using inferences from ratios of operating expenditures on park and recreation services to number of employees. The 1977-78 data in Table 7 assume that 75% of total expenditures are operating expenditures, and that 75% of operating expenditures represent the average agency's investment in personnel. Table 6 shows that in 1977-78, agencies employed 221,000 full and part-time people, so the average "cost per job" was \$20,814 (\$4.6 billion/221,000). The actual operating expenses for 1999-2000 are available in Table 4, and following the same process for that year (using adjusted dollars), the calculations showed that the "cost per job" had risen to \$26,840.

There is no reason to believe that in adjusted dollar terms, the "cost per job" ratio should have increased between 1977-78 and 1999-2000, especially since most of the jobs added in this period were the relatively low-paying, part-time positions. A plausible explanation for this increase is that a substantial number of employees are "missing", effectively transferred from the public to the private sector.

**Table 5  
Local Government Parks and Recreation Actual and Per Capita  
Expenditures in 1999-2000**

State	1 Population (thousands)	2 Actual Total Expenditures (thousands)	3 Per Capita Actual Total Expenditures	4 Actual Capital Expenditures (thousands)	5 Per Capita Actual Capital Expenditures	6 Actual Non-Capital Expenditures (thousands)	7 Per Capita Actual Non-Capital Expenditures
U.S. Total	281,422	20,989,187	\$74.58	5,872,069	\$20.87	15,117,118	\$53.72
Alabama	4,447	267,102	\$60.06	59,625	\$13.41	207,477	\$46.66
Alaska	627	70,308	\$112.13	30,639	\$48.87	39,669	\$63.27
Arizona	5,131	431,822	\$84.16	133,313	\$25.98	298,509	\$58.18
Arkansas	2,673	62,292	\$23.30	8,515	\$3.19	53,777	\$20.12
California	33,872	2,808,873	\$82.93	482,530	\$14.25	2,326,343	\$68.68
Colorado	4,301	673,189	\$156.52	160,549	\$37.33	512,640	\$119.19
Connecticut	3,406	189,344	\$55.59	35,166	\$10.32	154,178	\$45.27
Delaware	784	19,921	\$25.41	4,655	\$5.94	15,266	\$19.47
Florida	15,982	1,333,409	\$83.43	335,623	\$21.00	997,786	\$62.43
Georgia	8,186	411,965	\$50.33	131,692	\$16.09	280,273	\$34.24
Hawaii	1,212	170,995	\$141.08	78,936	\$65.13	92,059	\$75.96
Idaho	1,294	69,711	\$53.87	14,886	\$11.50	54,825	\$42.37
Illinois	12,419	1,823,711	\$146.85	402,523	\$12.41	1,421,188	\$114.44
Indiana	6,080	494,907	\$81.40	234,647	\$38.59	260,260	\$42.81
Iowa	2,926	228,115	\$77.96	64,743	\$22.13	163,372	\$55.83
Kansas	2,688	181,939	\$67.69	43,831	\$16.31	138,108	\$51.38
Kentucky	4,042	124,921	\$30.91	35,164	\$8.70	89,757	\$22.21
Louisiana	4,469	226,503	\$50.68	77,422	\$17.32	149,081	\$33.36
Maine	1,275	44,851	\$35.18	6,395	\$5.02	38,456	\$30.16
Maryland	5,296	508,115	\$95.94	126,924	\$23.97	381,191	\$71.98
Massachusetts	6,349	167,955	\$26.45	33,418	\$5.26	134,537	\$21.19
Michigan	9,938	615,317	\$61.92	190,104	\$19.13	425,213	\$42.79
Minnesota	4,919	615,009	\$125.03	217,704	\$44.26	397,305	\$80.77
Mississippi	2,845	89,548	\$31.48	11,686	\$4.11	77,862	\$27.37
Missouri	5,595	391,337	\$70.30	107,570	\$19.23	285,767	\$51.08

**Table 5  
Local Government Parks and Recreation Actual and Per Capita Expenditures in 1999-2000**

Montana	902	35,772	\$39.66	2,803	\$3.11	32,969	\$36.55
Nebraska	1,711	101,068	\$59.07	24,292	\$14.20	76,776	\$44.87
Nevada	1,998	352,112	\$176.23	75,304	\$37.69	276,808	\$138.54
New Hampshire	1,236	47,669	\$38.57	3,669	\$2.97	44,000	\$35.60
New Jersey	8,414	375,337	\$44.61	85,793	\$10.20	289,544	\$34.41
New Mexico	1,819	163,873	\$90.09	41,621	\$22.88	122,252	\$67.21
New York	18,976	1,288,613	\$67.91	331,322	\$17.46	957,291	\$50.45
North Carolina	8,049	452,278	\$56.19	146,657	\$18.22	305,621	\$37.97
North Dakota	642	115,056	\$179.21	49,157	\$76.57	65,899	\$102.65
Ohio	11,353	1,049,706	\$92.46	498,296	\$43.89	551,410	\$48.57
Oklahoma	3,451	210,717	\$61.06	89,817	\$26.03	120,900	\$35.03
Oregon	3,421	280,710	\$82.05	72,119	\$21.08	208,591	\$60.97
Pennsylvania	12,281	675,948	\$55.04	337,553	\$27.49	338,395	\$27.55
Rhode Island	1,048	33,024	\$31.51	1,903	\$1.82	31,121	\$29.70
South Carolina	4,012	214,690	\$53.51	84,665	\$21.10	130,025	\$32.41
South Dakota	755	68,348	\$90.53	23,625	\$31.29	44,723	\$59.24
Tennessee	5,689	332,488	\$58.44	67,009	\$11.78	265,479	\$46.67
Texas	20,852	1,159,383	\$55.60	316,855	\$15.20	842,528	\$40.41
Utah	2,233	208,337	\$93.30	63,092	\$28.25	145,245	\$65.04
Vermont	609	12,536	\$20.58	642	\$1.05	11,894	\$19.53
Virginia	7,079	516,578	\$72.97	106,426	\$15.03	410,152	\$57.94
Washington	5,894	568,832	\$96.51	163,062	\$27.67	405,770	\$68.84
West Virginia	1,808	47,638	\$26.35	5,298	\$2.93	42,340	\$23.42
Wisconsin	5,364	443,323	\$82.65	123,338	\$22.99	319,985	\$59.65
Wyoming	494	39,747	\$80.46	7,931	\$16.05	31,816	\$64.40
<b>Average of States</b>	<b>5,617</b>	<b>416,339</b>	<b>\$72.70</b>	<b>115,010</b>	<b>\$20.93</b>	<b>301,329</b>	<b>\$51.78</b>



**Table 6**  
**Parks and Recreation Employment in Local Government (in thousands)**

Year	1 Full Time Employees	2 Part Time Employees	3 Total FT & PT Employees
1965-66	104	34	138
1966-67	107	41	148
1967-68	111	42	153
1968-69	114	42	156
1969-70	117	43	160
1970-71	122	42	164
1971-72	126	48	174
1972-73	132	59	191
1973-74	120	79	199
1974-75	128	90	218
1975-76	131	77	208
1976-77	141	80	221
1977-78	145	76	221
1978-79	141	85	226
1979-80	135	84	219
1980-81	131	89	220
1981-82	128	86	214
1982-83	127	93	220
1983-84	127	92	219
1984-85	132	98	230
1985-86	135	98	233
1986-87	135	102	237
1987-88	144	108	252
1988-89	142	112	254
1989-90	144	122	266
1990-91	144	125	269
1991-92	145	130	275
1992-93	144	145	289
1993-94	145	154	299
1994-95	148	167	315
1996-97	142	148	290
1997-98	147	159	306
1998-99	148	156	304
1999-2000	153	172	325

**Table 7**  
**An Approach to Estimating the Number of Jobs**  
**Contracted Out Between 1977-78 and 1999-2000**

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**FY 1977-78**

Total expenditures	\$8.182 billion
Operating expenditures (75%)	\$6.136 billion
Personnel expenditures (75%)	\$4.600 billion
Number of employees (full & part time)	221,000
"Cost per Job" ratio	\$20,814

**FY 1999-2000**

Operating expenditures (75%)	\$11.631 billion
Personnel expenditures (75%)	\$8.723 billion
Number of employees (full & part time)	325,000
"Cost per Job" ratio	\$26,840

$$\text{Jobs contracted out} = \frac{\$8.723 \text{ billion}}{\$20,814} - 325,000 = 94,092$$

To attain the “cost per job” ratio of 1977-78 would require that 419,000 people be employed in full or part-time positions in 1999-2000, rather than the 325,000 who were reported. Obviously, this is a crude measure, but it is indicative of the magnitude of contracting-out that could have occurred over the past two decades. It suggests that if recreation and park agencies were providing the same level of service and range of services as in 1978, then 94,000 full and part-time positions were in the private sector doing work that was previously done by public sector employees. This implies that approximately one out of every 4 jobs associated with the delivery of local public park and recreation services are delivered by outside contractors or have been transferred to volunteers.

### **Concluding Comments**

The data suggest that despite the relatively large expenditure increases on park and recreation services in the 1990s, the impact of the tax limitation movement has endured beyond the severe curtailment in expenditures in 1976-77 to 1985-86 period. The strong national economy in the late 1980s and most of the 1990s led to relatively large expenditure increases but the pervasive influence of the tax limitation movement remained visible in at least three ways: i) the increases in capital investments have not been matched by concomitant commitment of operating resources; ii) self-generated funds account for approximately one out of every three operational dollars; and iii) jurisdictions are relatively reluctant to commit to full-time jobs, preferring to authorize part-time positions and to contract-out work.

There are two major factors that cannot be quantified and incorporated into these types of trend analyses, but which are important in interpreting them. First, in the early part of the 1980s, federal programs such as Revenue Sharing, Community Development Block Grants, and Comprehensive Employment Training Assistance (CETA) were severely curtailed or terminated. This required local governments to self-finance many park and recreation services that had been funded from these sources. The effects on local park and recreation services of such decreases in financial transfers from other levels of government are not known. However, when these programs were curtailed, some proportion of the increase in local government expenditures on parks and recreation had to be allocated to replacing these lost funds.

The increase in capital expenditures suggests that the number of facilities has increased substantially, but a second unknown factor is the extent to which there have been changes in the number of services and the intensity of their use over the study period. The evidence presented here may be interpreted to suggest that the increases in operating expenditures and personnel noted in the trends analyses are negatively disproportionate to the increases in capital facilities, number of services offered, and intensity of use.

The unprecedented level of expenditures in the late 1990s suggest that when these data are reviewed in the future in an historical context, this period may be perceived as being the “golden age” in this field. The Census Bureau report these annual data approximately three years after the end of a fiscal year, so the 1999-2000 data were the most recent available when this paper was written. The prolonged recession which has characterized the national economy of the early years of the new century provides a contrasting environment to the 1990s. However, past evidence from the data analyzed here suggests that park and recreation services will not be subjected to disproportionate funding curtailment during this period.

A perception of inadequate financial support may be an inevitable consequence of the nature of the services offered. Public park and recreation services are widely recognized as being public or merit goods, whose delivery cost should be fully or partially supported by tax subsidies (Howard & Crompton, 1980). The presence of a subsidy invariably leads to there being more demands for services by client groups than agencies are able to meet. These demands may be for higher quality existing services and/or for an expansion in the range of services offered. A consequence of this is that even those agencies that appear to be relatively well funded are unlikely to have enough resources to meet all their potential clients' needs. For this reason, there may always be a perception by personnel that their agency is underfunded.

From this perspective, the notion of being “underfunded” is a relative phenomenon that recognizes some norm or expectation level with which comparisons are made. Norms that may be used are funding received by other agencies and support received in the past. A purpose of this paper was to provide a context for making such comparisons by reporting historical levels of funding that public park and recreation agencies received between 1964-65 and 1999-2000.

The wide range of annual per capita expenditures among the states demonstrates the danger of generalizing to specific jurisdictions. Average data by definition mean that many agencies will be higher and many others lower. However, the per capita data in Table 5 do provide a baseline benchmark against which local agencies can measure their expenditures and assess whether or not they are underfunded compared to those of other agencies in their state or the United States as a whole.

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