Establishing a Federal Recreation Trust Fund: An Analysis of the Options with Special Emphasis on a Manufacturers' Excise Tax

John L. Crompton
Jill M. Decker

ABSTRACT: This paper examines the conceptual justification for federal aid to supply state and local outdoor recreation opportunities. Three funding approaches to establishing a federal recreation trust fund are suggested, and their appropriateness and relative feasibility is assessed. Emphasis is given to the conceptual justification for a manufacturers' excise tax on recreational equipment and the arguments against it. The paper concludes with a description of the "marketing orders" alternative to the excise tax.

KEYWORDS: Land and water conservation, federal funding, recreation and parks.

THE AUTHORS: John L. Crompton is professor of parks and recreation at Texas A & M University, College Station, and Jill Decker is assistant superintendent of marketing of the Fort Wayne Parks and Recreation Department, Indiana.

A primary recommendation of the President's Commission on Americans Outdoors in 1987 was:

The Land and Water Conservation Fund [should] be succeeded by a dedicated trust...providing a minimum of $1 billion a year...to help pay for federal, state, and local land acquisition and state and local facility development and rehabilitation (p.254).

The Land and Water Conservation Fund (LWCF) has been one of the federal government's success stories. It was designed to supplement Congressional appropriations for land acquisition on the federal side and to match land acquisition and development on the state and local side on a dollar-for-dollar basis. Despite the relatively small amount of federal money involved, it primed the pump and has contributed direct funding for more than 32,000 outdoor recreation and park facilities in communities of every size throughout America.

The twenty-five year period for which the LWCF was originally authorized expired in 1989. It was reauthorized by Congress in its original form in 1988,
but this was generally regarded to be a temporary stopgap measure enacted to ensure the fund's continuity. Efforts continue in the present Congress to pass a version of the fund which will ensure that it has a permanent source of revenue. The need for this was illustrated throughout the Reagan administration during which only minimal funds were appropriated each year for the fund. In recent years, it has been nearly moribund. The proximity of the authorization expiration date and the Reagan administration's opposition to financing the program combined to encourage the President's Commission recommendation. The Commission advocated not only continuing a federal contribution to outdoor recreation, but also that the funding source should be self-sustaining so it is not subject to the annual vagaries of the political process.

The LWCF was intended to provide a predictable floor of earmarked funds that would be insulated from the year-to-year competition for Congressional appropriations. Indeed, some members of Congress apparently believed that the LWCF would be a true trust fund whose revenues could not be used for other purposes, although Congress would have to appropriate money from the fund before it could be spent (Conservation Foundation 1985). In fact, the LWCF was neither defined nor operated as a true trust fund in the same way, for example, as the federal Highway Trust Fund has operated (Conservation Foundation 1985). Rather, the LWCF is what federal budgeteers term a "special fund." In such funds, federal receipts are earmarked for specific purposes. However, the receipts are not required to be used for that purpose, and funds must be appropriated by Congress each year. Thus, income designated for the LWCF has been used for other purposes.

This paper considers four issues emerging from the President's Commission recommendations. First, the conceptual justification for federal aid to supply state and local outdoor recreation opportunities is discussed. Second, three funding approaches to establishing a federal recreation trust fund are suggested, and their appropriateness and relative feasibility is assessed. Third is a discussion of the arguments against the use of a manufacturers' excise tax. Finally, the "marketing orders" alternative to the excise tax is presented.

Is There Conceptual Justification for Federal Government Assistance for State and Local Outdoor Recreation Opportunities?

The primary agencies involved in supplying outdoor recreation opportunities are the National Park Service, the Fish and Wildlife Service, the Forest Service, the Bureau of Land Management, and the Corps of Engineers. Their recreational responsibilities are extensive, and the need for a federal source of capital funding for those agencies is presumably self-evident. Since their operation is a recognized federal responsibility, it seems reasonable to propose that their capital needs should be funded directly from the federal treasury.

However, the mandate for the federal treasury to provide matching grants to assist in the acquisition and development of state and local facilities is less clear. Because LWCF matching grants exist, precedent gives such assistance a degree of legitimacy and momentum. Often, this is more important in the political arena than conceptual logic. Moreover, precedent is available in most other industrialized countries where central government assists in providing local recreation facilities. The rationale frequently underlying this support is that the level of direct monetary investment required is perceived to be too great for local jurisdictions to afford alone. In addition, because of the "taking issue" problems, zoning and land use planning approaches to creating park and open space are inadequate.

Because many state and local jurisdictions of the federal government to provide adequate facilities for outdoor recreation, the state and local side of the LWCF is commonly considered to be justified. Ostensibly, the argument has gained in credibility since the federal government has reduced support for other social welfare services, thus requiring lower levels of government to increase the proportion of their budgets allocated to these services. However, empirical evidence does not sustain this contention. In the period 1980-85, census data indicate that local government operational expenditures for recreation and park services increased almost 10 percent in real dollar terms, and the number of personnel they employed also increased (McCarville and Crompton 1988). Although similar data are not available for capital expenditures, these operational data suggest that local public support for recreation and park services is increasing. Further, the conventional wisdom in the field is that capital dollars are usually easier to obtain than operational dollars.

At this time, the federal government is in a much worse financial condition than state and local governments. The interest on the national debt is approximately $370 million per day (Stahl 1985). This approaches the highest level of annual grant funding ever made available to state and local jurisdictions through LWCF appropriations, which occurred in 1979. Thus, it can be argued that the level of funding sought for the LWCF is a relatively small amount. However, just because it is small and relatively insignificant in the context of the total federal budget, it is not necessarily justified.

Traditionally, donations of land have been a primary source of park land acquisition at all levels of government. The Reagan administration substantially reduced the levels of personal income tax and corporate capital gains tax, which has substantially reduced the tax shelter for potential donors and thus eroded the incentive to give. Since this is an unavoidable negative outcome of the tax reforms, a compensatory federal grant program for land acquisition may be appropriate. However, this argument presumably could be made just as well by other fields that have been similarly affected, such as health, education, and the arts. Clearly, a plethora of such federal compensatory programs is not feasible.
The pragmatic experience gained in the past twenty-four years indicates that federal involvement was important, and that many projects would not have been acquired or developed without that assistance. This leads to the conundrum that federal support has been important to the supply of facilities, even though no strong conceptual rationale exists to justify support from federal taxes.

### Three Approaches to Establishing a Federal Recreation Trust Fund

Given the lack of a conceptual justification for federal support, attention shifts to the conceptual rationale and feasibility of creating a true trust fund that would not be based on general tax money. The resources in such a fund would be used exclusively for acquisition and development of recreation and park amenities.

The establishment of a true trust fund would create genuine capital resources for recreation projects that many mistakenly believed the LWCF would provide. However, trust funds limit the ability of Congress to set annual priorities, and for this reason they often meet with resistance. Because of trust funds and other entitlement programs, only about 30 percent of the total federal budget is controllable. This is a matter of particular concern in times of fiscal constraint and leads to such questions as: “Why should park acquisitions be immune from budgetary cutbacks when aid to the poor and pollution control activities, for example, are not?”

The case for a trust fund rests mainly in the source of its revenues. The money would accrue either from mitigation severance payments made as “compensation” by extractors who diminish the country’s natural resources or by users of recreation facilities. In this context, the federal government simply becomes an efficient conduit for expediting the logical financial relationship between extractors and users and the resources they use, rather than a subsidizer or provider of funds for recreation.

Three approaches to financing such a true trust fund are discussed in this section: extraction taxes and leases, a real estate transfer tax, and a manufacturers’ excise tax on recreational equipment. For the purposes of exposition, they are discussed separately, but some combination of the three mechanisms also could be used. Indeed, a bill that would have created a $1 billion federal trust fund was introduced in the Senate in June 1986 by Senator John H. Chafee: it proposed that most of the funds would come from a combination of two of these sources (Shabecoff 1987). Senator Chafee’s bill proposed a national real estate transfer tax of up to 2.5 percent on transactions of $5 million or more, aimed at raising $500 million a year. Another $300 million would come from offshore oil and gas leases. The remaining $200 million a year would be raised from the sale of new “conservation bonds.” Forty percent of the $1 billion fund would go to the federal government recreation agencies; 35 percent would be split among the states and local governments; and 5 percent would go to a new national endowment for the preservation of open space, modeled after the National Endowment for the Arts.

### Extraction Taxes and Leases

It has been argued that America’s natural resources located on public lands belong to all Americans of all generations (Howell 1986). Current citizens are stewards of these resources for generations of Americans yet to come. The federal government receives over $2.5 billion from oil leases, severance taxes, and mineral sales on its public lands. Most of the dollars go directly into the general fund of the U.S. Treasury to pay for programs and services that benefit only people living now. Some believe this is an abrogation of the government’s stewardship responsibility.

The case for financing a true trust fund with revenues received from extraction taxes and leases has been summarized in the following terms:

Federal resource exploitation diminishes our natural estate and frequently precludes alternate uses of the land or water, at least during exploitation. Often, permanent degradation results. Thus, it makes sense that some of the federal revenues from using the nation’s natural resources, including those on the outer Continental Shelf, should be used to preserve other natural resources (Conservation Foundation 1985:288).

It has been proposed that a $10 billion investment fund be established by securing a substantial portion of federal Offshore Continental Shelf (OCS) oil and gas revenues, which currently yield approximately $2 billion per year (Dane 1979). The length of time it would take to build up to the $10 billion corpus would depend on the proportion of OCS revenues allocated to the fund each year. Assuming a 10 percent rate of return on investments made through the trust fund, approximately $1 billion per year would be generated. A proposal incorporating these principles was introduced in Congress in 1983, but it was not passed. This source of funds is currently earmarked for the LWCF, so a conceptual linkage has been legislatively established for using OCS funds for recreation projects.

As an alternative or supplement to OCS funds, leases or royalties could be levied on on-shore nonrenewable resource extraction and production activities that occur on federal lands. Historically, the federal government has kept charges for on-shore mineral extraction low. To give an indication of the potential from this source, revenues from each one percent of severance tax imposed on oil, gas, and geothermal leases on federal lands would generate $22 million. Similarly, an annual $25 claim renewal fee for Bureau of Land Management mining would yield approximately $33 million on the 1.3 million BLM hard rock mineral claims alone. (President’s Commission on Americans Outdoors 1986.)
Real Estate Transfer Tax

A real estate transfer tax, sometimes called a documentary stamp tax, is a tax imposed on transfers of real property. It is levied whenever property is sold, granted, assigned, transferred, or otherwise conveyed from one person to another. This tax was first introduced at the federal level in the Federal Revenue Act of 1921, but it was repealed soon after. However, it was reinstated by the Federal Revenue Act of 1932 and remained in effect with periodic amendments until it was repealed in 1965. Although this tax is no longer levied at the federal level, a number of state and local governments are using it to fund park and recreation developments (Crompton and Orton 1987), and their success demonstrates its potential.

It is currently being used for park acquisition and development purposes in three states—Maryland, Florida, and Arkansas. On every real estate transaction in Maryland, a tax of one-half of one percent is imposed. This generates approximately $25 million in a typical year for Program Open Space. The funds are used to acquire state park land, forests, natural environmental areas, natural resource management areas, and wildlife management areas. Similarly, in Florida, the Land Acquisition Trust Fund provides for expansion of state park and recreation areas. The fund is financed annually from a tax on real estate transactions currently levied at the rate of $4.50 per $1,000 of assessed valuation. In Arkansas, the 1987 state legislature passed a real estate transfer tax of $1.10 per $1,000 sales value to be used for acquisition and development of parks, recreation, and cultural resources. This tax is projected to yield $4 million per year.

Manufacturers’ Excise Tax on Recreational Equipment

A manufacturers’ excise tax on recreational equipment appears to be both conceptually sound and consistent with the prevailing political philosophy that users should pay. Established precedents are noncontroversial and widely accepted. For example, the long-established Dingell-Johnson Fund, which was revised and retilled the Wallop-Breaux Fund in June 1984, imposes an excise tax on fishing equipment and motor boat fuel and earmarks the funds for distribution to the states for fishery and boating enhancement. This approach says, “Let’s take tax money paid for certain products purchased by boaters and fishermen and use that money to develop more boating and fishing resources.” This principle was similarly incorporated into the 1937 Pittman-Robertson Act, which restores and maintains national wildlife resources by providing financial support derived from an excise tax on sporting arms, archery equipment, ammunition, and related items.

These notable successes are models that could be transferred to the financing of other recreation services. If an excise tax on related equipment is appropriate for financing fishing, boating, and hunting opportunities, then the same logic would apply to golf courses, tennis courts, running tracks, swimming pools, softball diamonds, soccer fields, campgrounds, and so on. Indeed, it may be argued that it is inequitable to require hunters, boaters, and fishermen to pay for their recreational opportunities through an excise tax, while those who pursue other recreational opportunities are not required to do so.

The principle has been espoused as a means of contributing to operation and maintenance costs, but the reasoning is essentially the same for support of the trust fund:

Certain other recreation user groups, especially those oriented toward dispersed recreation activities, have suggested a similar tax on camping and backpacking gear as a way for users to help offset costs associated with preserving and maintaining the large land base which these activities require. Such a tax is seen as a replacement for direct user fees, which cannot be feasibly imposed on dispersed users of large woodland tracts. (Tennesseans Outdoors 1986).

Feasibility of the Three Approaches to Accumulating a Trust Fund

The three taxes discussed in the preceding paragraphs are frequently suggested as the most appropriate sources of designated, earmarked revenues for financing a federal recreation trust fund. OCS oil and gas revenues are currently earmarked for the LWCF. Thus, extraction taxes and leases have at least partial precedents, and it is usually politically easier to build upon precedent than to enact legislation authorizing an entirely new program. However, it is a quantum step to move from a special fund where revenues are earmarked but not necessarily committed, to a true trust fund where the revenues cannot be used for other purposes.

Given the federal budget deficit, it seems politically inconceivable that Congress would sanction taking receipts from the general treasury to establish a $10 billion true trust fund for recreation. The oil, gas, and mining industries are in difficulty, and no one wants to add to their costs in light of current market conditions. Hence, additional tax revenues from these sources seem unlikely.

The real estate transfer tax has been strongly advocated by Noonan (1986), who for psychological and promotional reasons proposed that it be renamed the “Growth Enhancement Tax.” However, the likelihood of a real estate transfer tax as the revenue source for a federal recreation trust fund appears low. A prime philosophical argument for repeal of the original federal real estate transfer tax was that real estate taxes should be the exclusive prerogative of local and state governments—not the federal government. Since many state and local governments adopted this tax after it was repealed at the federal level, it seems unlikely that Congress would reinstate it.
Senator Chafee’s 1986 senate bill recognized and sought to avoid this problem by imposing the real estate transfer tax only on transactions valued at over $5 million. Thus, it would not affect homeowners or small businesses, but rather large developers of shopping malls, subdivisions, industrial complexes, and others who are now using open space at a rapid rate. However, state and local governments would probably protest the usurping of their traditional property tax base.

The conceptual linkage between a federal real estate transfer tax and the supply of park and recreation amenities is tenuous. It is difficult to see why it should be earmarked for parks and recreation instead of for other government functions. The only rationale appears to be that land development may decrease outdoor recreation opportunities at the same time that it creates a need for more recreation areas. This may be appropriate justification for one-time payments such as those associated with mandatory park dedication or impact fees, but it does not justify an ongoing tax payment each time a property changes ownership.

A manufacturers’ excise tax on recreation equipment would link the producers of recreation equipment with the provision of the opportunities needed to use that equipment. Two classes of recreation products are now subject to a federal excise tax: 1) guns and related equipment and bows and arrows and 2) fishing equipment and gasoline used in pleasure boats. In both cases, the programs have succeeded because of support from the industry involved and very specific direction regarding use of the funds (Crandall 1986).

The manufacturers’ excise tax seems to be a more feasible revenue source for a recreation trust fund than the other two alternatives. First, its conceptual basis is strong because it proposes that those who use recreation resources should pay for them, which is consistent with the prevailing user-pay political sentiment. Second, existence of the hunting and fishing precedents gives it a degree of credibility. And third, it is a new tax and will not divert receipts currently going into the U.S. Treasury’s general fund.

Arguments Against the Excise Tax

The primary conceptual argument against the excise tax is that it is too broad to operate as a closed-loop tax. That is, the tax may not be reinvested in a facility that benefits its payer directly:

A broad tax on all recreation products would be unlikely to engender the sense of ownership and self-interest among industries and consumers that created and has protected the Pitman-Robertson and Wallop-Breaux Funds (Crandall 1986).

Unlike the Pitman-Robertson and Wallop-Breaux Funds, which are limited to one type of recreation, hunting or fishing, the recreation trust fund would include many types of recreation. For example, the revenues accruing from baseballs and golf balls would go into the same account, so that purchasers of baseballs will contribute to the development of golf courses and vice versa.

According to the executive director of the American Fisheries Society, the Dingell-Johnson program is the “most equitable, logical, and justifiable funding means yet devised” (Sullivan 1983). However, experience has shown that when the user is no longer the primary beneficiary of expenditures from a fund, controversy arises. For example, when pistols and revolvers were added to the Pitman-Johnson Act in the 1970s, conflict occurred. It was argued that pistols and revolvers were seldom used by hunters for recreational purposes, and that if owners benefited from the fund, it was only to a small extent. Furthermore, they already contributed to the fund with the 11 percent tax on shells and cartridges (Eggers 1970).

The closed-loop problem confronting the recreation trust fund is compounded by the considerable variation in the cost of recreation products, which may range from a $1 tennis ball to a $100,000 recreational vehicle. The actual cost of providing public recreation opportunities does not necessarily correlate with the cost of the equipment used. Thus, a flat excise tax would discriminate against certain activities and populations (Crandall 1986).

The only way to resolve this issue comprehensively is to establish a separate account in the trust fund for each different recreational activity. But such an approach is unfeasible. It would be cumbersome and expensive to administer, and many of the accounts would yield such small amounts of money that their impact would be minimal.

There is no obvious, equitable way to allocate resources from such a fund to the states. The Pitman-Robertson and Dingell-Johnson apportionments to the states are based partially on the number of hunting and fishing licenses sold in each state. However, licenses are not required of bikers, skaters, or ball players, so allocations to the states from the recreation trust fund may not be based on the number of bicycles, skates, or baseballs sold in each state. In other words, most tennis rackets may be bought in Texas, but there is no guarantee that Texas would get more of the tax money from tennis rackets than any other state.

Recreational facilities and services are provided by both the public and the private sectors. The mixed-sector nature of the delivery system leads to two concerns: the closed-loop issue and unfair competition. The closed-loop issue in this context is concerned with the fairness of using excise tax revenues to develop public facilities when the tax has been levied on equipment that may be used exclusively at private facilities:

An excise tax would not distinguish between products used at public facilities and those not. Golf clubs and tennis racquets are examples. Should a racquet
used by someone who plays exclusively on the courts of a private tennis club be taxed when he or she would derive no benefits? The equity issue becomes even more dramatic with a $50,000 motorhome. Many never enter a public recreation area, utilizing only private campgrounds and RV resorts (Crandall 1986).

This equitability concern also extends to public agencies such as schools and colleges that would pay taxes when they purchased recreational equipment, even though they may not be eligible for grants from the trust fund. This might be resolved by providing exemptions for such entities, but it would add to the complexity of implementation.

The second public/private issue is that the trust fund would exacerbate unfair competition. The question likely to be raised by private sector suppliers is “Why should we support this when the revenues will be used primarily to build public facilities, which will directly compete with our facilities, frequently undercut us on price, and steal our customers?” The traditional response would be that the two sectors serve different target markets: after trying an activity in the inexpensive, basic public facility and finding they have a commitment to the activity, some people trade up to a private facility. However, the legitimacy of this response may not be widely accepted.

Pitman-Robertson and Wallop-Breaux Fund allocations generally have not raised such questions of unfair competition because they primarily sustain the mobile biomass of animals, fish, and birds, which benefits all facility and service suppliers fairly.

Finally, there is concern that a flat excise tax of 10 percent would penalize buyers of higher quality products, even though such products do not create additional resource or facility demands. For example, a hand-built wooden canoe costs far more than a plastic canoe, yet both utilize resources in the same way (Crandall 1986).

The “Marketing Orders” Alternative

A modification of the excise tax proposal has been suggested by Crandall (1986). His modification seeks to overcome resistance from recreation equipment manufacturers by making any taxes voluntary and activity-specific and by actively involving affected manufacturers in the process of collecting and dispersing the funds.

The model for this suggested alternative is the Agricultural Marketing Agreement Act of 1937, which allows commodity-specific “marketing orders” to finance research and promotion programs. Marketing orders are self-help programs that allow producers to unite as an industry to solve a wide range of problems that individuals cannot solve alone. They authorize assessments paid by producers and/or handlers of a specific commodity, to raise money for advertising; orderly marketing; improving quality of products marketed; establishing research and development projects; and promoting consumption and distribution of the industry’s commodity.

Marketing orders are initiated and designed by the specific commodity industry with the cooperation of the U.S. Department of Agriculture (USDA). The orders are applicable only to regions of production of the concerned commodity and may affect regions, states (for example, cherry growers are centered in Michigan and several neighboring states), or the entire nation (for example, egg producers).

Once an industry proposes a marketing order, the proposal undergoes a formal rulemaking procedure under the authority of the USDA Marketing Service. If a marketing order is approved by the USDA, a referendum vote of all producers of the commodity is taken. Approval by two-thirds of the producers, or growers who produce two-thirds of the voters’ total output, is needed for passage of the order. The terms and rules of an approved marketing order apply to each handler of the specific commodity.

Marketing orders provide a significant source of revenue for individual agricultural commodity industries. There are currently forty-eight marketing order programs for various fruit, vegetable, and nut markets. The average order raises approximately $7-8 million annually for its specific commodity industry.

Voluntary taxes of this type supported by recreation equipment manufacturers would overcome the political obstacles that a broad tax would face in Congress. The program would be entirely removed from the federal budget. Moreover, this opportunity would encourage recreational equipment producers to be actively aware of the consequences of the use of their products.

Some thoughtful industry segments would likely impose substantial charges to ensure opportunities for the use of products facing major constraints due to inadequate facilities—including new and booming activities such as off-road bicycling. Awarded to public agencies, funds could be used for activity management and facility construction and maintenance. Some protections of the public good would be incorporated, such as ensuring that marketing orders were subject to approval by a federal agency or another suitable entity and placing controls on use of the generated funds.

Concluding Comments

Three revenue sources most frequently suggested by advocates for a federal recreation trust fund have been reviewed, and the strengths and limitations of each approach have been discussed. More in-depth attention was given to the
manufacturers' excise tax alternative for two reasons. First, it has received little serious analysis in the literature, and it is hoped that the discussion presented here will foster critical comment and observation. Second, the authors think the excise tax offers a stronger conceptual "closed-loop" mechanism than the other two sources. Although there is a nexus between both OCS revenues and a real estate transfer tax to port land acquisition, the authors do not consider it to be as compelling.

Even though the closed-loop recreation equipment excise tax is not as watertight as the Pittman-Robertson or Dingell-Johnson models, it may be possible to minimize the level of inequity by developing sub-accounts within the fund for taxes on reasonably related recreational products. Like the existing two models, it would be an "invisible" tax. Since it would be levied at the manufacturer level and built into the price, most consumers would not be aware that they were paying a tax, and thus they would be unlikely to agitate against it. This invisible dimension may help minimize consumer opposition, but it also may hinder efforts to build constituency support for the program. If consumers are unaware of the tax and its positive contributions to their recreational opportunities they are unlikely to respond with the vigor necessary to protect it from future political threats.

The excise tax would increase the number of places where recreational products can be used, and this is likely to increase sales of those products. Without growth in public amenities, growth in equipment sales may be inhibited. For example, it is estimated that 200 marinas a year are closing, and only 75 are opening (Lyons 1986); in some parts of the country now, boat sales are contingent on the availability of a slip.

The authors hesitate to argue that OCS revenues should be redirected into a recreation trust fund from the general treasury, simply because of the level of the federal deficit. Similarly, using the transfer tax, which is a property tax, to finance a federal grant program is difficult to support, since it would represent a radical shift in national tax policy. The level of protest from state and local governments if the federal government intruded into one of their traditional tax bases makes this taxing source untenable.

In contrast to the real estate transfer tax, the federal level is the appropriate level of government from which to impose a manufacturers' excise tax. Such a tax cannot be implemented by lower governmental levels if the closed-loop provision is to be retained. For example, to levy the tax on a manufacturer in Texas, when most of the products are bought by people in other states, is clearly inequitable. The benefits would accrue to Texans and would be paid for by others. Further, the manufacturer would be disadvantaged relative to competitors in other states who did not have to pay the equipment excise tax. This may encourage the manufacturer to move the facility to another state to avoid the tax.

An additional question to be addressed is the impact of the tax on foreign equipment suppliers. Clearly, it would offer them a competitive advantage and to nullify it, the tax would have to be imposed on imported equipment.

A high level of visible support will be needed if the recreation trust fund is to become a reality. The Dingell-Johnson Act was backed by a wide consensus of fishermen, conservationists, manufacturers, and other who noted the success of the Pittman-Robertson Fund and believed that a similar program for fisheries could be equally successful. Support from recreation constituencies would be necessary for the Trust Fund to be enacted.

However, opposition is likely from at least some equipment manufacturers who consider the potential benefits too indirect and too speculative to outweigh higher product costs and the costs of administering the tax. The price of recreation equipment would increase because manufacturers would add the tax amount to the price of their products. There is concern that this would lead to a decline in sales and a decrease in profits. Further, manufacturers who produce more than one type of sporting equipment may find it more expedient to mitigate the impact of the tax by applying the necessary price increases to equipment not included in the tax, rather than to attribute the full price increase specifically to the equipment being taxed. This would provide additional leakage from the closed-loop system.

An important pragmatic attribute of a percentage-based excise tax is that the amount is likely to increase annually with inflation, since it is linked directly to market prices. Hence, as the costs of acquisition and development increase, so does the revenue source funding it.

The suggestions and discussion incorporated in this paper are tentative. The intent was to provide a point of departure for future discussion. Hopefully, it will stimulate others to offer additional insights and different perspectives to the issue.

References


Crandall, Derrick A. 1986. President of the American Recreation Coalition in a letter to Lamar Alexander, Chairman of the President’s Commission on Americans Outdoors, September.


Tennesseans Outdoors: Governor’s Commission. 1986. Reports to the President’s Commission on Americans Outdoors.

The Application of Work Expectancy Concepts to Park Maintenance Management

Steven R. Baldwin

ABSTRACT: Opportunities are available to improve productivity in park maintenance operations through use of productivity measures that are similar to those for other industries. The key to improvement is finding adaptable measurement tools that can be applied to park maintenance in a practical way.

Work expectancy is the measurement solution presented here. It is a concept based on management science principles that advocate time standards as a performance indicator. The concept itself is not based on academic research and a survey of industry literature. Rather, it represents a hybrid set of measurement components based on eighteen years of consulting experience in the field of park maintenance and operations management.

The best understanding of work expectancy is derived from seeing it in practice. Hence, the discussion will center on the benefits obtained through the work expectancy implementation process. The procedures described have been successfully applied by municipal park systems across the United States. Those systems not only realized substantial operations savings by using work expectancy but also gained by eliminating inefficiencies uncovered during its implementation.

KEYWORDS: Park maintenance, productivity improvement, work expectancy, time standards, workload forecasting, manpower planning, work measurement.

THE AUTHOR: Steven Baldwin, CMC, is a partner in the Atlanta management consulting practice of Touche Ross and Company, which maintains twenty-five offices around the United States.

Public attention has recently focused on productivity in the public sector. Central to the scrutiny are the monopoly power of government agencies and their lack of a profit motive. The public may frequently use either or both factors to address an agency’s inefficiency. And no level of government is immune to taxpayers’ insistence on an accounting for their tax dollars.

In a typical park maintenance example, management faces a problem when informed that citizens demand more green space or recreational facilities, but they also reject increases in taxes or participation fees. Demand may be assessed by surveying citizens, forming a citizens’ advisory council, or comparing park