

Trends in State Governments' Expenditures on Parks and Recreation 1989/90 through 1999/2000

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EXECUTIVE SUMMARY: US Census Bureau data were used to analyze trends in states' expenditures on parks and recreation in the decade of the 1990s. In real dollar terms, states' aggregate budgets increased by 47% during the decade, while their expenditures on parks and recreation increased less auspiciously by 26%. States' expenditures on parks and recreation represented 0.55% of their total budgets. The ratio of operating to capital expenditures approximated 75:25, and self-generating revenues comprised 40% of operating expenses on average.

The average per capita expenditure on state park and recreation services increased in real dollars by 11.5% during the decade, but the range of per capita investment among the states was remarkable with five states averaging less than \$5 while at the other pole another five averaged over \$27. The range in self-generated revenues was similarly wide. In three states, these revenues either exceeded or almost met operating expenses, while at the other extreme there were ten states whose self-generated revenues accounted for less than 10% of operating costs.

During the decade, states' capital investments in parks and recreation totaled \$7.845 billion. The increase in tax revenues provided to operate this additional investment amounted to 4% of this investment. Further, full-time personnel decreased 4% in the decade, while part-time employees declined by 32 percent.

To facilitate comparisons by a state with a set of states whose facility inventory, responsibilities and political philosophies are similar, complete state breakdowns of all the data analyzed in the paper are provided on a website.

KEYWORDS: state government, parks and recreation, revenue, expenditures, employment.

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This paper represents an extension of analyses undertaken by the authors on trends in local government expenditures on parks and recreation (Crompton & Kaczynski, 2003). The focus here is on state systems rather than on local governments. The earliest analyses of state parks expenditures were those reported by Clawson and Van Doren (1984). Their volume

offered two independent analyses. In Part I of their book, which was written by Clawson, some expenditure trends data were presented from 1939 through 1956. The source was surveys undertaken annually during that period by the Department of Interior. Clawson's analyses reported that aggregate expenditures by states increased from \$7.4 million in 1939 to \$65.8 million in 1956. No effort was made to convert the numbers to constant dollars, but Clawson offered the subjective assessment that "At least half of the total rise for the whole period is lost by reasons of higher prices generally" (p. 67). Of the total expenditures, typically approximately 40% was for capital outlays. Self-generated revenues over this time period ranged from \$3.2 million in 1941 (no revenue data were available for 1939 and 1940) to \$14.9 million in 1956. In 1956, self-generated revenues represented approximately 39% of operating expenditures.

In Part II of the same volume, Van Doren presented estimates of expenditures and self-generated revenues for occasional years between 1957 and 1975. Van Doren observed, "Collecting time series information on state parks is very difficult" (p. 235) and his estimates had to be compiled from multiple sources. Because different years were taken from different sources who collected them in different ways, the comparability of the data was suspect. Nevertheless, Van Doren, using data published by the National Recreation and Park Association, reported that in 1975 aggregate state operating expenditures were \$317 million; capital expenditures were also \$317 million; while self-generated revenues were \$115 million (36% of operating expenditures).

Myers and Green (1989) extended the Clawson and Van Doren longitudinal timeframe by adding state expenditures data collected by the National Association of State Park Directors (NASPD) and the US Bureau of the Census in 1980 and 1985. These represented another two sources of data that were different from those used in the Clawson and Van Doren analyses.

Myers and Green also were challenged by their two sources presenting different statistics. For example, the NASPD data reported that states' expenditures reached \$1 billion for the first time in 1985, while the Census Bureau reported these expenditures were \$1.39 billion in 1984. Some of the discrepancy could be explained by definitional differences, but some was not explainable. Given the challenges of reconciling different databases, their conclusions have to be regarded as tenuous, but they included the following: (i) state park budgets declined on a per-capita basis from \$5.27 in 1980 to \$3.85 in 1985 using constant (1982) dollars, a 28% decrease; (ii) capital expenditures more than tripled between 1967 and 1980 (even after inflation), but declined from their 1980 peak by 60% in real terms between 1980 and 1985; and (iii) self-generated revenues in 1985 were \$286 million and the proportion of such revenues when related to operating budgets had remained fairly constant since 1960—about 40% on average—despite renewed emphasis in the more recent years on making state parks "pay their way."

This paper seeks to update these early trend findings. Further, more consistent and more accurate data have been collected and published on state governments' expenditures in the past decade than in previous eras. Hence, comparisons can be made, and trend patterns can be identified, with more confidence than was possible in the earlier studies.

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>). These data are available from 1989/90 through 1999/2000. Data are collected annually from all 50 state governments from on-site reviews of their records. Parks and recreation is defined by the Census Bureau as the "provision and support of recreational and cultural-scientific facilities maintained for the benefit of residents and visitors." This comprehensive definition embraces much more than state parks. The Census Bureau offers the following examples of facilities included under this heading:

Golf courses, playgrounds, tennis courts, public beaches, swimming pools, play 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; and celebrations including support of cultural activities (<http://www.census.gov/govs/www/classfunc61.html>).

This definition and the examples provided by the Census Bureau to illustrate what is included, leaves room for ambiguity. For example, it is unclear whether such items as tourist rest stops, historic preservation, historic homes, wildlife refuges, or game preserves are included within it or whether they are categorized elsewhere. The Census Bureau does have a category entitled "Natural Resources" which is defined as "Conservation promotion and development of natural resources (soil, water, minerals, etc.)" and within it are included such items as land reclamation, and wetlands and watershed management which in some states may be the responsibility of the state parks agency. Hence, while most of these expenditures reported here are likely to be spent on state park systems, they may include state spending for recreational programs on other state-owned lands as well, and may exclude some expenditures that state park systems invest in such areas as wetlands and watershed management.

The authors followed the same procedures for standardizing the data to establish inflation free trends as they used in their local government trends paper. These involved using a price index for state government consumption (Bureau of Economic Analysis, <http://www.bea.gov/bea/dn/nipaweb/SelectTable.asp?Selected=Y#s7>), and a construction cost index obtained from the *Engineering News-Record*, a publication of McGraw-Hill Construction (<http://enr.construction.com/features/conEco/>

[costIndexes/ConstIndexHist.asp](#)). These indices converted actual dollars to adjusted dollars which facilitated comparisons of annual data on a longitudinal basis by establishing inflation-free trends. The adjusted dollars used 1990 as the base year, since this was the base year used in the authors' analyses of local government trends. Consequently, in 1990, actual and adjusted dollars are identical.

In the preceding local trends paper, aggregated data for all local government entities in the United States were used as the unit of analysis to identify trends. Given the large number of local entities that offer local park and recreation services, and the extended historical timeframe that was used (1965-2000), it was not logistically feasible to develop many disaggregated analyses. In contrast, there are only 50 entities at the state level, so analyses at the level of individual states were feasible. However, it was not feasible to report all of these individual state analyses in a single journal article. Accordingly, the authors adopted a three-fold strategy for reporting results of the state governments' expenditures analyses. First, aggregated data for the 50 states are presented. Second, tables showing the data for each individual state are offered under *publications* on a website, <http://www.rpts.tamu.edu/faculty/CROMPTON.HTM> enabling each state to benchmark itself against any set of states which it deems to be comparable. Third, the paper reports data from the extreme cases, comprising the five highest and five lowest ratios, on each of the financial measures that are analyzed. This provides a perspective of the range of investment in parks and recreation and self-generated revenues among the 50 states.

Results

Table 1 reports the aggregated data for all 50 state governments. Columns 1 and 2 show the substantial increase in total state expenditures for all services. In adjusted dollar terms, these budgets increased every year, so that in 1999-2000 states' expenditures were 47% higher than in 1989-90. The increase in total park and recreation expenditures over the same period was 26% (column 4) which is substantial, but lower than the growth in aggregate state budgets. Columns 6 and 8 show that operating and capital expenditures on parks and recreation increased by 24% and 32%, respectively, over the time period. With the exception of 1995-96, operating expenses increased incrementally every year. The trend in capital expenditures was more volatile and was characterized by a distinctive peak in 1997-98 when absolute dollar expenditures on capital projects (column 7) reached almost \$1.3 billion.

Table 1 shows that self-generated revenues increased throughout the 1990s until they peaked in 1996-97 when they exceeded \$1 billion for the first time (column 9). Although revenues increased in subsequent years, in real dollar terms (column 10) they declined somewhat.

The ratios presented in Table 2 were derived from the data in Table 1. Column 1 shows that over the course of the decade, there was a decline in park and recreation's share of the total states' budgets. Much of the decline

Table 1
States' Aggregate Expenditures for All Services; for their Park and Recreation Operations and Capital Projects; and their Self-Generated Revenues from Park and Recreation Operations 1989-90 to 1999-2000 (millions of dollars)

1	2	3	4	5	6	7	8	9	10
All Functions Actual	Total Expenditures Adjusted	Park & Recreation Actual	Total Expenditures Adjusted	Park & Recreation Actual	Non-Capital Expenditures Adjusted	Park & Recreation Actual	Capital Expenditures Adjusted	Park & Recreation Actual	Expenditures Adjusted

Table 2
Selected Ratios for Aggregated State Park and
Recreation Expenditures and Revenues 1989-90 to 1999-2000

Year	1 Park and Recreation Expenditures as a % of All Departments Expenditures	2 Park and Recreation Operating Expenditures as a % of P&R Total Expenditures	3 Park and Recreation Capital Expenditures as a % of P&R Total Expenditures	4 Park and Recreation Revenue as a % of P&R Operating Expenditures
1989-90	0.62%	75.69%	24.31%	40.02%
1990-91	0.62%	71.71%	28.49%	40.44%
1991-92	0.54%	72.39%	27.46%	40.48%
1992-93	0.50%	74.03%	25.35%	43.84%
1993-94	0.51%	75.29%	23.85%	41.93%
1994-95	0.50%	78.07%	21.53%	41.93%
1995-96	0.50%	76.97%	22.51%	42.40%
1996-97	0.54%	72.62%	26.48%	43.27%
1997-98	0.60%	66.78%	32.16%	41.29%
1998-99	0.55%	73.38%	25.90%	38.21%
1999-2000	0.53%	74.22%	25.49%	37.67%

could be attributed to the drop from .62% to .54% in 1991 / 92. It appears that this lower ratio became the new baseline, so that by the end of the decade the ratios remained around this lower level. Columns 2 and 3 show that the relative proportions allocated to operating and capital expenditures remained consistent at a ratio of approximately 75 / 25 with only occasional aberrations. Similarly, self-generated revenues remained consistent at approximately 40% of operating expenditures (column 4).

Table 2 shows that expenditures by states on park and recreation services are an infinitesimally small proportion of the states' budgets. In most years, these expenditures were lower than the 11 year mean of 0.55%, but the average was raised by unusually high proportions of 0.60% or more in FY1990, 1991 and 1998. Over the decade, the three states with the average lowest proportions were Kansas (0.13%), Alabama (0.16%) and Texas (0.18%). By 2000, these three states were significantly lower than any other states, falling to 0.09% (Alabama), 0.12% (Kansas), and 0.13% (Texas). States with the highest proportionate average expenditures over the decade were Hawaii (1.67%), New Jersey (1.49%) and Georgia and Louisiana (1.32%). Thus, Hawaii invested almost thirteen times more of its budget on park and recreation services than did Kansas in the 1990s decade. The decrease in Texas is especially notable since it was relentless, declining each year from 0.31% in 1990 to 0.13% in 2000. These percentages may seem small, but given the substantial increase in states' total budgets that occurred over the decade, the decreasing proportions resulted in relatively large losses of funds. For example, if Texas had retained its 0.31% share of the budget, in FY 2000 the state's park and recreation funding would have been \$137 million instead of the actual funding of \$55 million.

When the expenditure data in Table 1 were expressed in per capita terms, the results were similar with the trend line displaying a generally consistent increase over the decade with occasional annual aberrations

therein. In adjusted 1990 dollars, the average per capita expenditure by all the states for parks and recreation in 1990 was \$9.93 and by 2000 this had increased to \$11.07. However, this aggregation obscures remarkable differences in the per capita investment among the states. In 2000, in actual dollars, the states' per capita average was \$14.39. However, the per capita expenditures in Alabama, Texas and Kansas were \$2.55; \$2.66 and \$2.81, respectively, while those in Delaware, Hawaii, Louisiana and New Jersey were \$61.47, \$32.83, \$37.64 and \$37.64, respectively. Figure 1 shows the 11 year average of the 50 states in constant dollars and reports the average per capita expenditures on parks and recreation during the decade of the five highest and five lowest states. Over the decade, in adjusted dollars, the per capitās ranged from \$69.93 in Hawaii to \$2.09 in Kansas. The data illustrate that such ranges are a consistent enduring trend, rather than merely being characteristic of an individual aberrant year.

When the total per capita budgets were disaggregated into capital and operating expenditures, the trends again generally reflected those shown in Table 1, but the trend lines were not as steep. Thus, in adjusted dollars, average per capita operating expenditures of all the states increased from \$7.52 in 1990 to \$8.25 in 2000, an increase of 14%. Capital investments went from \$2.41 in 1990 to \$2.82 in 2000 but, while there was some increase, there was substantial annual volatility in per capita capital expenditures.

Again, Figures 2 and 3 illustrate that the range among the states was substantial. Over the 11 year period, the mean per capita investment in adjusted dollars in capital projects was \$48.37, \$18.53, \$17.68 and \$10.95 by Hawaii, Rhode Island, Delaware and Louisiana, respectively. However, these were exceptional cases. In 10 states, per capita capital expenditures were less than \$1, while 24 of the states' expenditures were between \$1 and \$3 per year over the decade.

Figure 3 shows that New Jersey and Hawaii had the highest average per capita operating expenditures over the decade with \$27.84 and \$21.56, respectively, while at the other extreme with per capita operating expenditures of \$1.97, \$2.13 and \$2.32, were Kansas, Texas and Alabama, respectively.

On average, approximately 40% of states' operating expenses for park and recreation services were met by self-generated revenues, although this proportion declined in the last two years of the decade to approximately 37.5%. However, differences among the states were more dramatic than in any of the other analyses that were undertaken. Over the 11 year period, Figure 4 shows that resources either exceeded or almost met operating expenses in Alabama, New Hampshire and Georgia, while at the other extreme the recovery rates in Alaska and Wyoming were 0.01% and 1.29%, respectively.

These substantial differences among the states were similarly reflected in the per capita self-generated parks and recreation revenue data reported in Figure 5. The US mean over the decade in adjusted dollars was \$3.15,

Figure 1
Per Capita Total Expenditures on Parks and Recreation: The Five Highest and Five Lowest States
(11 year average 1989-90 to 1999-2000 in 1990 adjusted dollars)

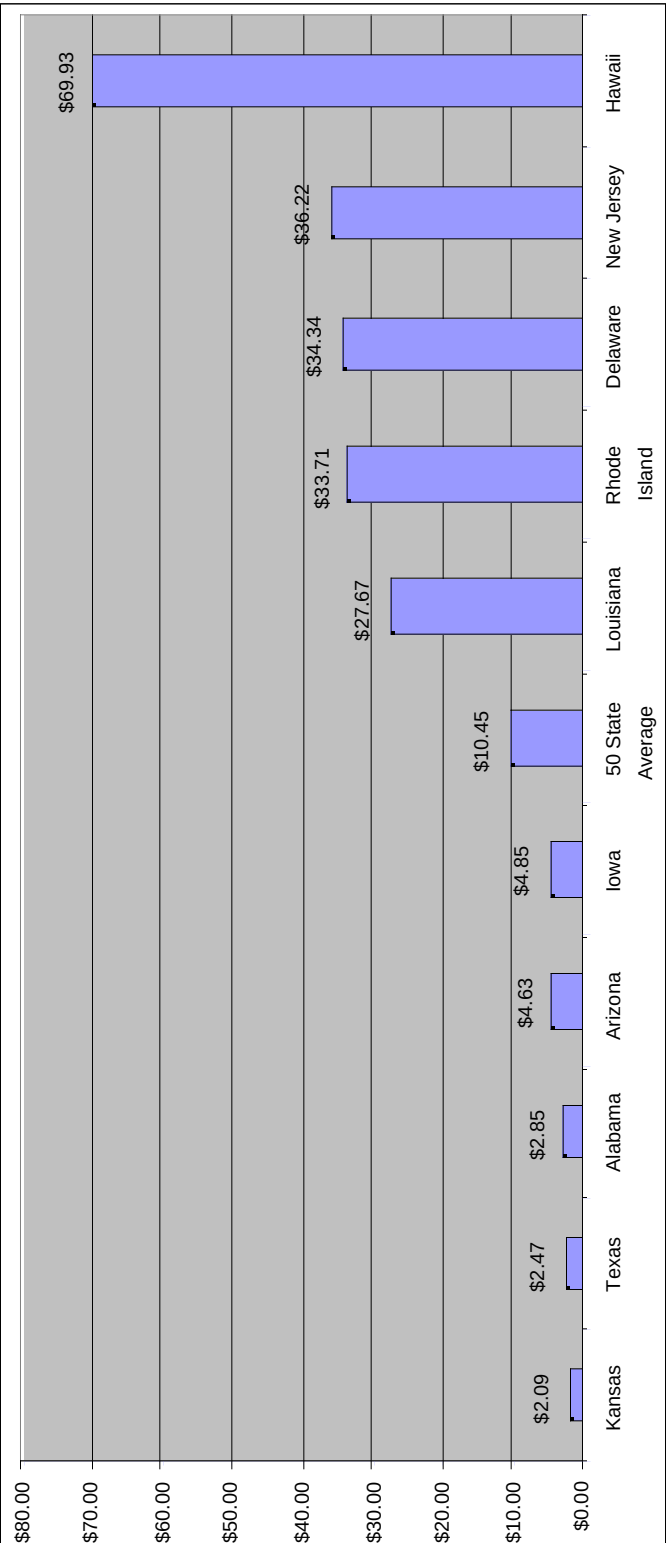


Figure 2
Per Capita Capital Expenditures on Parks and Recreation: The Five Highest and Five Lowest States
(11 year average 1989-90 to 1999-2000 in 1990 adjusted dollars)

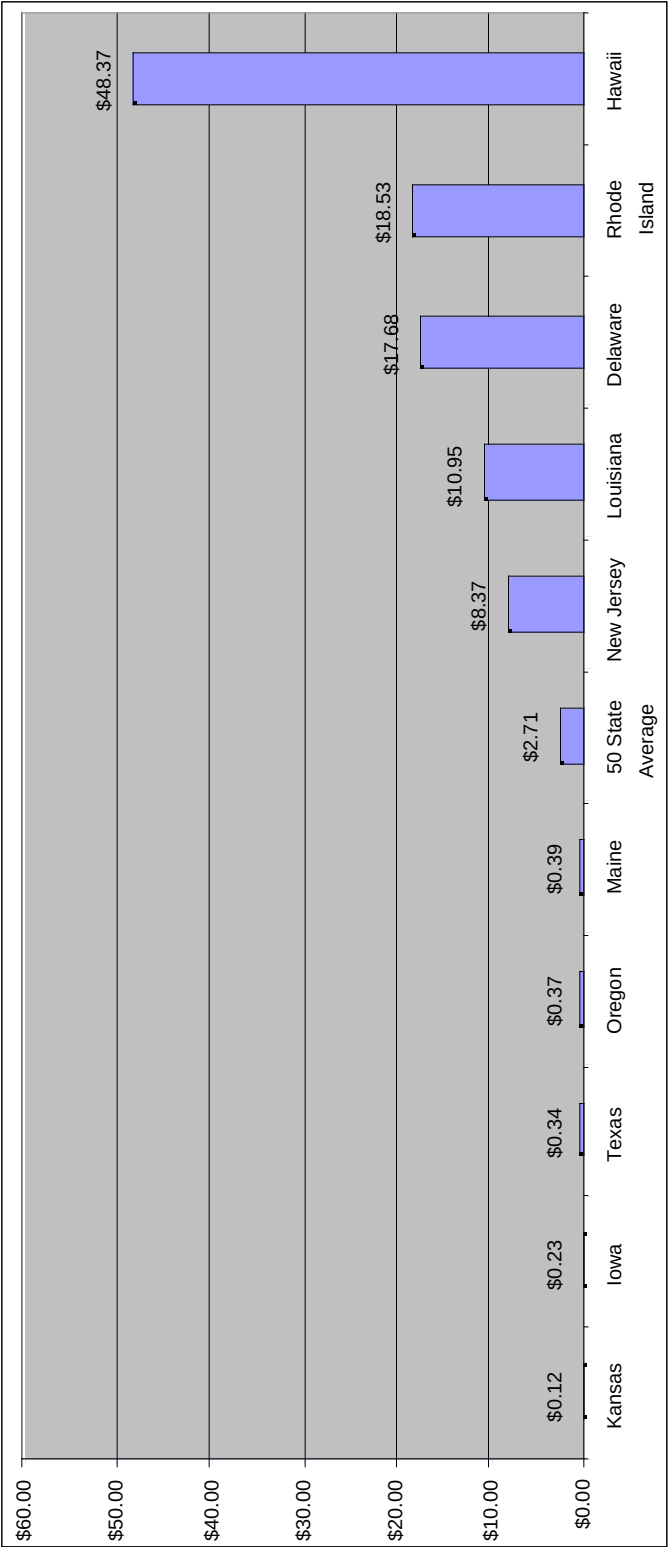


Figure 3
Per Capita Operating Expenditures on Parks and Recreation: The Five Highest and Five Lowest States
 (11 year average 1989-90 to 1999-2000 in 1990 adjusted dollars)

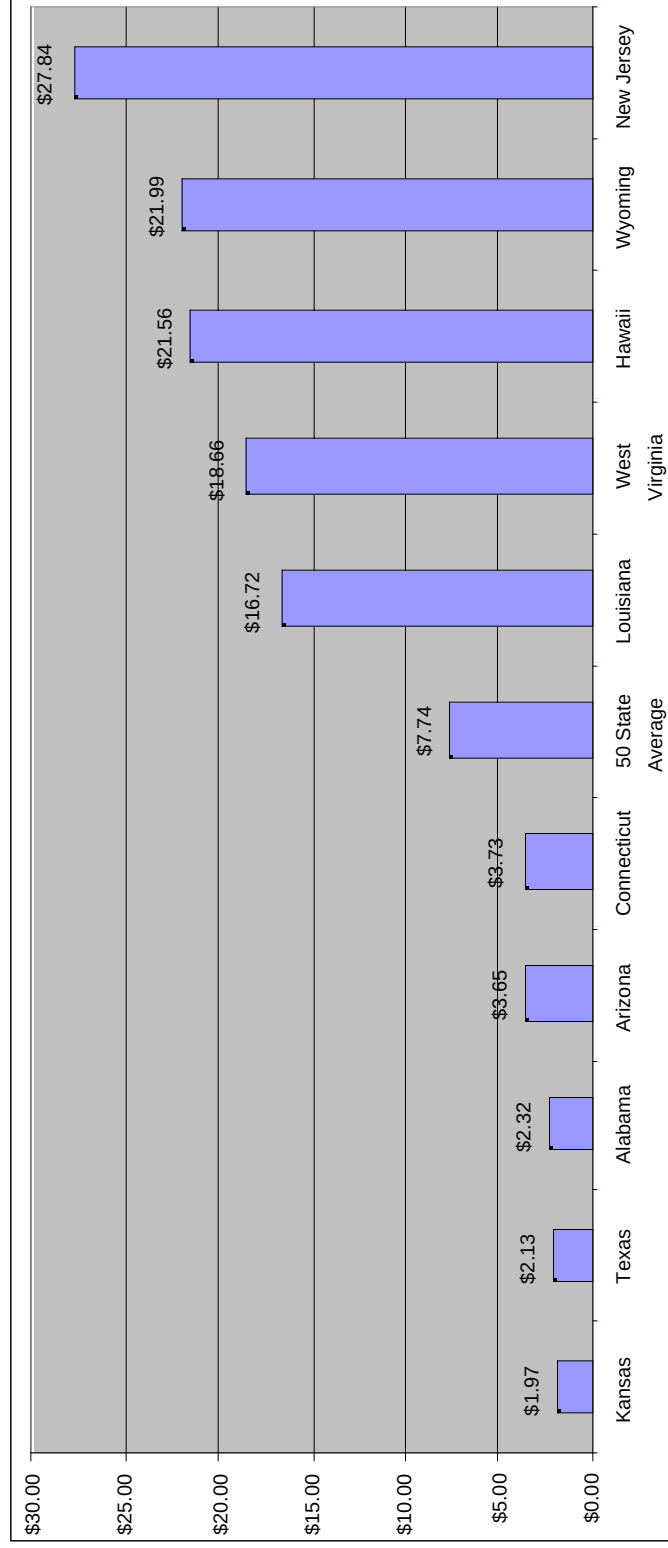


Figure 4
Proportion of Operating Expenses Met by Self-Generated Revenues: The Five Highest and Five Lowest States
 (11 year average 1989-90 to 1999-2000 using 1990 adjusted dollars)

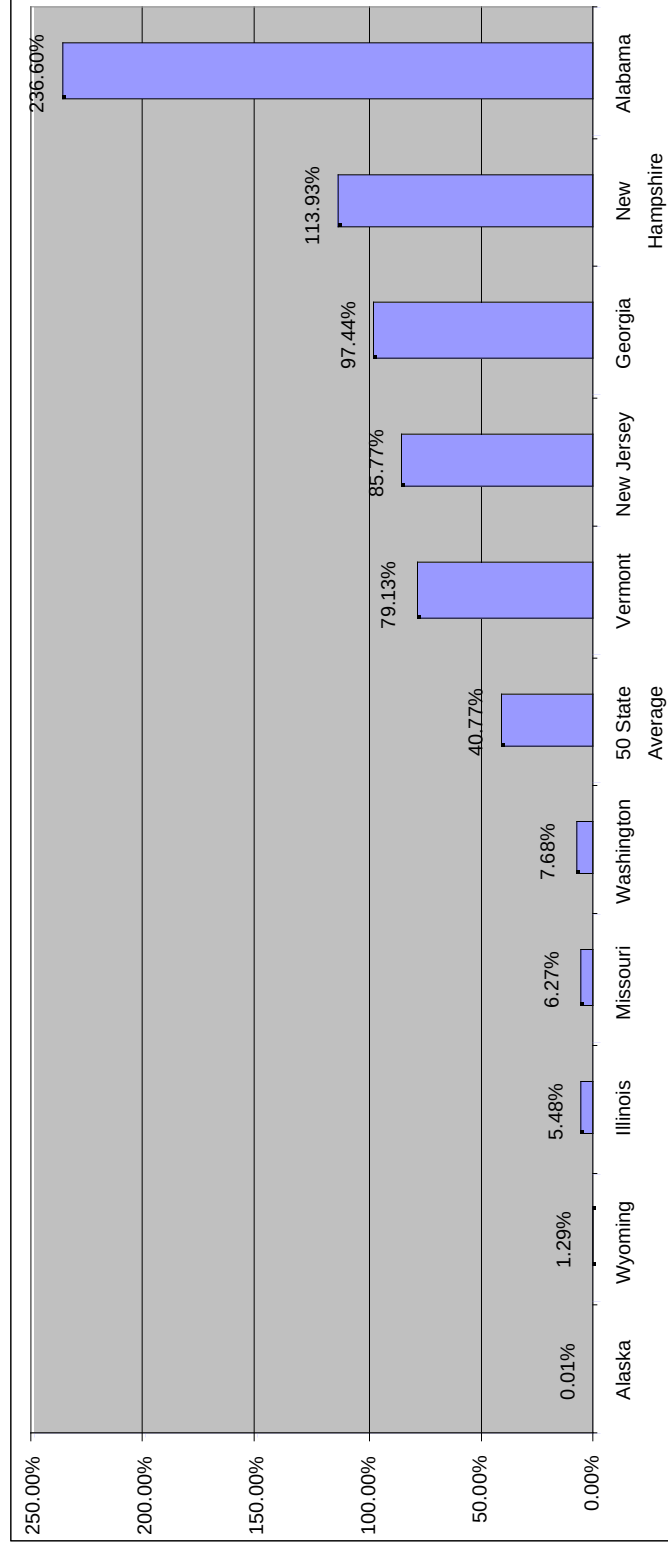
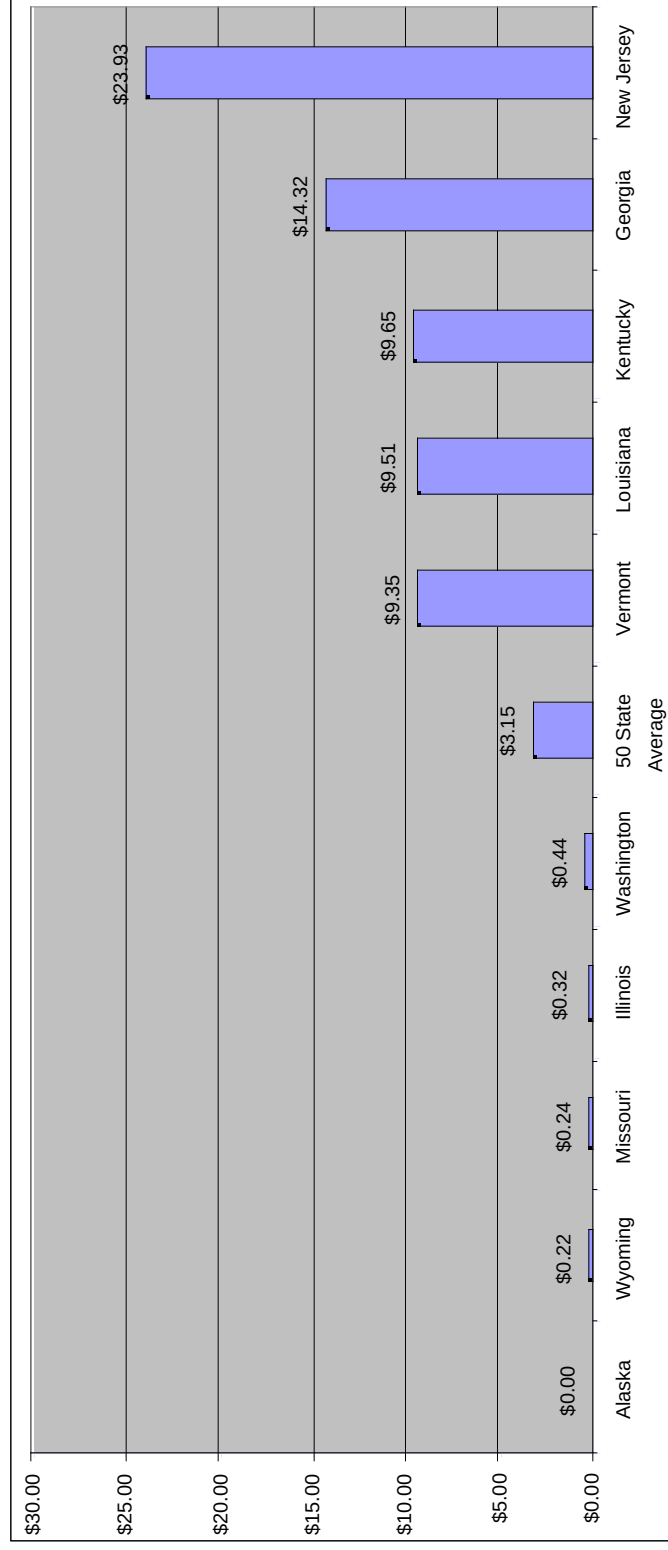


Figure 5
Per Capita Self-Generated Parks and Recreation Revenues: The Five Highest and Five Lowest States
 (11 year average 1989-90 to 1999-2000 in 1990 adjusted dollars)



but it peaked in 1997 at \$3.41 and declined in 1998, 1999 and 2000 to \$3.28, \$3.17 and \$3.09, respectively. While New Jersey and Georgia reported extraordinary per capita revenues of \$23.93 and \$14.32 respectively, 15 states reported revenues of less than \$1 per capita.

The number of people employed to deliver state park and recreation services is reported in Table 3. It shows that while full-time employee numbers remained reasonably constant, a sudden decline in part-time

Table 3
Number of Park and Recreation Personnel Employed by State
Governments 1989-90 to 1999-2000 (in thousands)

	1	2	3
Year	Full Time Employees	Part Time Employees	Total FT & PT Employees
1989-90	28,462	16,493	44,955
1990-91	28,534	15,635	44,169
1991-92	27,245	15,198	42,443
1992-93	28,181	17,722	45,903
1993-94	29,155	17,343	46,498
1994-95	28,423	18,271	46,694
1996-97	26,697	12,890	39,587
1997-98	26,656	11,952	38,608
1998-99	26,426	11,368	37,794
1999-2000	27,283	11,273	38,556

employees occurred in FY 1997 and this decline trend continued as the decade progressed.

Discussion

There are two obvious conclusions that emerge from the analyses. First, investments in parks and recreation made by state legislatures are miniscule. They average 0.53% of states' total budgets. Second, there is extraordinary variation on all the benchmark indicators analyzed among the states, albeit within the context of low levels of investment. States' expenditures suggest that their legislatures have widely different views of the importance of parks and recreation. Further, the longitudinal consistency of the data within states suggests that these views remained stable over the decade, perhaps suggesting that they are entrenched.

Operating expenses went from \$34 million in 1955, to \$317 million in 1975, to \$1.8 billion in FY 1990, to \$3 billion in FY 2000. In adjusted dollars, there was a 24% increase between 1990 and 2000, reflecting the increase in lands and facilities that needed to be managed as a result of the

on-going capital investments which totaled \$7.845 billion (adjusted dollars) over the decade. By 2000 the states were providing an additional \$442 million to operate these new capital facilities, and \$125 million of this was self-generated. Hence, the increased tax commitment by the states was \$317 million which is 4% of the capital investment. In their analysis of local government trends, the authors reported that this ratio was 5% and suggested, "These data appear to endorse the prevailing conventional wisdom that while voters are prepared to invest substantial capital resources at bond referenda, their elected representatives, who in most cases establish operating budgets, are reluctant to provide concomitant levels of tax support to operate those facilities" (p. 134). A similar conclusion appears to be justified at the state level.

Further, the 4% figure is likely to be an underestimate because the growth in capital assets is likely to be substantially greater than that implied by the amount of capital spending. There is a long history of a substantial proportion of state parks' land being acquired from philanthropic sources. For example, in his analyses of pre 1956 data, Clawson reported, "Of the total acquisitions, only 38 percent has been by purchase; 24 percent has been by gift; and 30 percent has been by transfer from other state agencies or from federal agencies" (p. 65). The present data set does not include sources of land, but anecdotal reports suggest that philanthropy and transfer continue to supplement the purchase of land. Indeed, the fragmentation that invariably occurs when land is passed from one generation to the next or is sold, makes it increasingly difficult to assemble and purchase pieces of land into blocks suitable for state parks, so philanthropy and transfer of such blocks are likely to remain important sources of acquisition.

In the pre-tax revolt era, there were substantial increases in investment in capital projects. Myers and Green (1989) reported, "Capital spending for state parks more than tripled (even after inflation) between 1967 and 1980. However, it fell 60 percent in real terms between 1980 and 1985" (p. 16). The data in Table 1 suggest this downward trend was arrested in the 1990s with a real dollar increase of 32% occurring in annual investments from 1990 to 2000. However, the trend reflects large investments by a few states, such as New York, New Jersey and Hawaii, rather than consistent increases by all states. The magnitude of capital investment by a majority of states was minimal, with 34 states investing less than \$3 per capita. Clawson (1984) in his analyses of observations of early trends in the pre 1956 era commented, "The pattern of land acquisition, by years and by states, is irregular. The states with the strongest state parks systems tend to acquire some land each year or nearly every year...On the other hand, states with poorly developed park systems acquire land only at long intervals, and often only a single or few tracts at a time" (p. 65). The data in Table 1 and Figure 2 suggest this characterization remains appropriate.

Table 1 confirms there is considerable volatility in annual capital investments. This contrasts with the trend for operating expenditures which show incremental increases each year. The capital expenditure

volatility probably reflects in part, the reliance of most states on bond referenda rather than a dedicated income stream for funding capital projects.

Table 2 shows that the ratio of operating to capital expenditures is approximately 75/25. In earlier years the ratios were more weighted towards capital investment. For example, the ratios in 1955, 1960, 1970 and 1975 were 62/38, 64/36, 48/52 and 50/50, respectively (Clawson & Van Doren, 1984).

Most state park systems were created in the 1920s and became substantial entities by the 1930s stimulated by the Roosevelt administration's Civilian Conservation Corps programs. However, in many states, legislatures remained reluctant to embrace the provision of parks as a legitimate function of state government. Indeed, some state park systems were not established until the 1940s (e.g. Maryland, Ohio and South Dakota), the 1950s (e.g., Arizona and Colorado), or the 1960s (e.g., North Dakota and Wyoming). In many states, for example Texas (Steely, 1999) and Oregon (Cox, 1988), there was insistence that as far as possible, park operating expenses should be met from user fees and concessions. Thus, the early data reported by Clawson (Clawson & Van Doren, 1984) showed that in the 1930s self-generated revenues averaged 40 percent of operating expenses. The data in Table 2 indicate that over the past 60 years, this average ratio has remained constant. It is difficult to argue that all residents benefit from state parks because in many contexts the parks are inaccessible to a substantial proportion of residents and of no interest to others. Since most of the accumulated benefits from them accrue to a relatively small group of users, it is probably appropriate for those users to cover a substantial proportion of the costs.

Despite the longitudinal consistency of the 40 percent ratio, the comparisons in Figure 4 show that it could be increased if some states elected to change their policies. There are ten states whose self-generated revenues account for less than 10 percent of operating costs, while in four states they exceed 85 percent. Clearly, some states adhere to the philosophy that state parks are "public" services for which residents pay through their taxes, while others view them as "merit" services recognizing that most benefits accrue to a relatively small group of users, so as far as possible they should be required to pay for the operating costs (Crompton & Lamb, 1986).

The analysis of personnel trends in Table 3 showed that in spite of the additional \$7.845 billion of capital expenditures invested during the decade, there was a decrease in staffing. Among full-time employees the decrease was 4 percent, while part-time employees declined by 32 percent. This appears to epitomize the mantra, "Do more with less." Four scenarios are suggested by these data: (i) there was surplus capacity in the system so remaining personnel could absorb additional responsibilities; (ii) standards of maintenance, renovation and service have declined as fewer people are

spread thinner and so are unable to maintain the same quality of service; (iii) paid personnel have been replaced by volunteers; or (iv) agency personnel have been replaced by sub-contractors as services have been out-sourced.

These personnel trends differ from those reported by the authors at the local government level. At the local level, there was some small increase in full-time personnel, but a large increase in part-time employees. The major difference between the two levels of government is the decline in part-time employees at the state level. Anecdotal reports suggest at least some of this decline has been offset by increased volunteer activity in state parks. The opportunity to be outdoors in aesthetically pleasing environments appeals to many retirees. In exchange for a free campsite and utility hookup, many have volunteered to perform a variety of different jobs in the state parks.

The data and analyses provided in this paper are intended to offer benchmarks against which states can evaluate their own performances. The diversity of facility inventory, responsibilities and political philosophies among the states, results in an unusually wide range of ratios and measures. Hence, it may be most useful for states to undertake comparisons with a set of other states which exhibit similar characteristics in terms of their size, regionality, traditional political orientation, etc., rather than with the mean averages derived from all states. To facilitate such comparisons, the authors have provided on a website (the address was given on page 105) complete state breakdowns of the aggregated data reported in Tables 1 and 2, and of the selected states' data shown in Figures 1 through 5.

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