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## **Funding public parks through private incentives**

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It's summertime, which means that a lot of people are enjoying public lands, including state parks. The dire financial woes of national parks is well known, but state parks are not immune to trouble. The state-government-focused news service Stateline.org says, "Insufficient state funding and rising costs have left some state park systems struggling to make ends meet."

So what should park systems do? Some have responded to having less by doing less. They've cut back on maintenance and offer fewer hours of service. Some non-profit groups and legislators, meanwhile, want to promote hiking trails and other outdoor amenities by hiking sales tax rates.

But is there any other way of addressing the needs of parks? According to the folks at PERC, the Property and Environment Research Center ([www.perc.org](http://www.perc.org)), states need to push their park systems to be entrepreneurial and self-supporting, embracing private-public partnerships, voluntarism, and differential pricing. It's an approach that has detractors. It is also one that should be used whenever possible.

A report published in October 2006, "State Parks' Progress Toward Self-Sufficiency," surveyed 30 parks systems across the country. PERC found that states are turning to "expanded user fees, concession contracts, 'friends' groups, corporate sponsorships, and endowment funds."

Raising entrance fees to parking lots, camp grounds, and other park features is one option. A variation on that model is differential pricing, just like movie theaters or restaurants. Camp on the weekend during the high season, and you pay more.

States are also turning to contracts with private vendors to run food stands, lodging and reservation services, golf courses, and other features that may have been operated in the past by government employees. The state receives a portion of the proceeds, while the vendor assumes the financial risk and burden of being the employer.

"Friends" groups, meanwhile, are useful for raising money, adding another stream of user fees. Delaware drew upon the Delaware Community Foundation to establish a trust fund to help finance state park operations.

Friends also provide labor for maintenance tasks. In New Jersey, for example, volunteer groups provide the labor equivalent of 55 full-time employees.

Some states take advantage of the natural assets of the parks to support their park systems. Maine sells drinking water to the Poland Springs Bottling Company. Drink a bottle of Poland Springs, and support Maine parks. If you're looking for a ski destination this winter, head to Vermont. Its parks are nearly entirely self-supporting, aided by the state's practice of leasing land for ski resorts.

There are several benefits of running parks more like a business. One is that it puts parks more in touch with the desires of its visitors.

In an entrepreneurial model, park revenues return to the park system, or even the individual park, rather than go into the state general fund. This way, park managers have personal incentives to listen to park users. The responsive managers have a better handle on the wants and needs of their customers than do staffers working in offices far away in the state capital.

Health care and education take up the bulk of most states' budgets, and parks can easily get crowded out. The demand for health care and education dollars isn't going to subside anytime soon, leaving parks out as a poor cousin.

User fees raise hackles, of course. One argument is that citizens should not be charged to use a public asset. That's a plausible argument. Yet in a variety of situations, "public" doesn't mean "free of charge." Think of municipal-owned golf courses, events at public arenas, and even late fees or rental fees at the public library.

Another argument is that user fees require citizens to pay again for parks already purchased. Yet that ignores the cost of ongoing maintenance. Every homeowner knows that the acquisition price is only one element of the cost of ownership.

Applying the rules of business will also offend those people who object to commerce in parks, or commerce period. For many of us, part of the enjoyment of being in a park is getting away from the world of money and commerce. Still others take it further and believe that letting someone make a buck through offering park services is offensive on its face, a near sacrilege.

Yet as economics 101 reminds us, the world is filled with scarcity: unlimited wants and limited means of fulfilling those wants. The exchange of dollars for services—in this case, access to recreational opportunities—is one way of responding to that situation. Making parks more entrepreneurial can make sure that these vital treasures aren't neglected in the circus of the budget process.