



SAINT PAUL
INNOVATION TEAM™

Parks Fee Based Services Funding and Policy Options to Promote Equity

Parks Fee Based Services Equity Project Team

May 30, 2017



PARKS FEE BASED SERVICES EQUITY PROJECT

OVERVIEW

- 1.Documentation of current fee policies for programs and services within Parks and Recreation
- 2.Analysis of programming fees as barriers to youth participation in the city's low-income areas
- 3.Analysis of disparities in offerings and programming
- 4.Potential policy and funding options to reduce disparities and increase equity

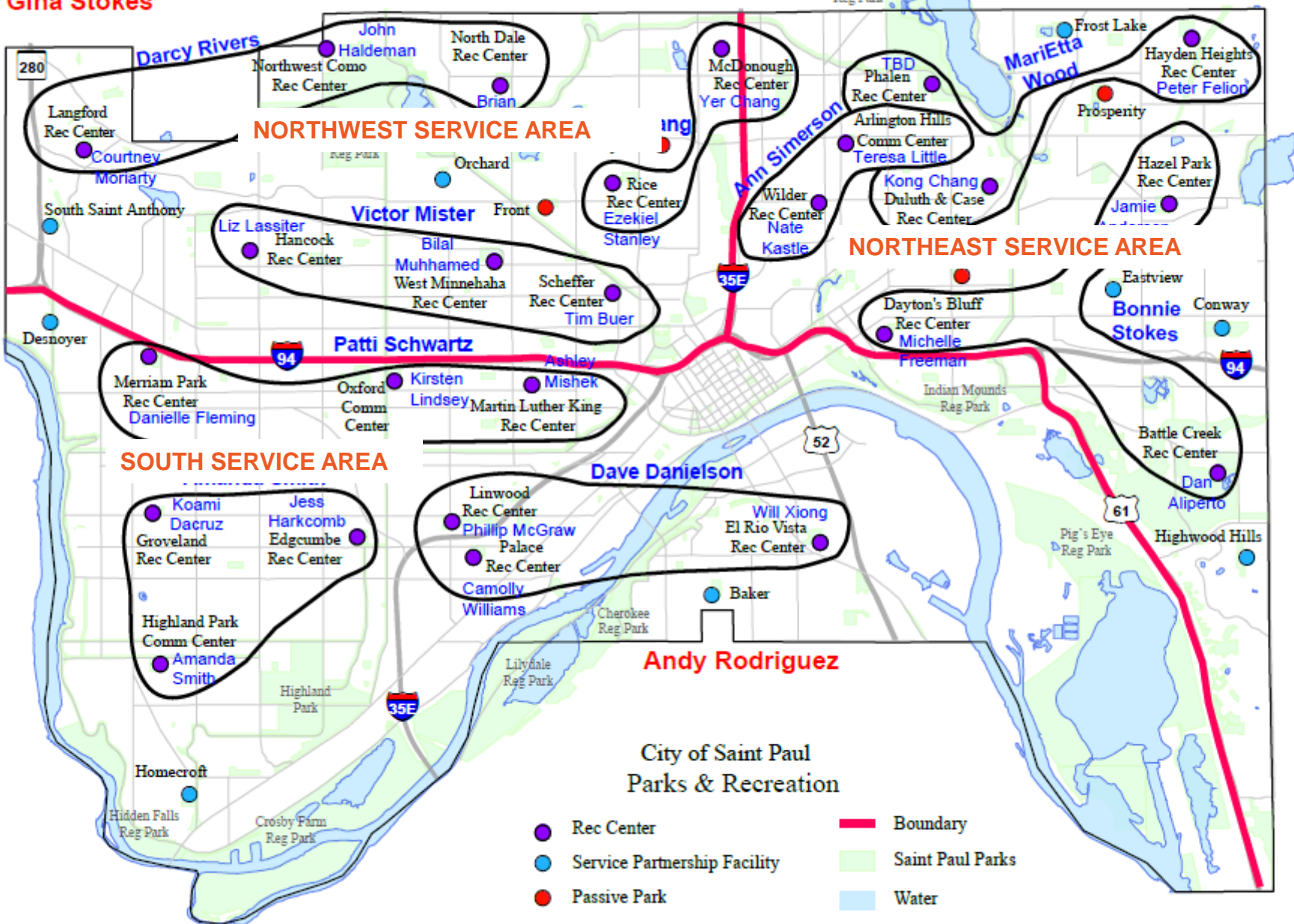
PARKS FEE-BASED SERVICES EQUITY

DRAFT PROJECT CHARTER, V. 2

THE OPPORTUNITY		PROJECT BENEFITS	
<p>The Department of Parks and Recreation makes every effort to provide programs and services at reasonable cost. To provide a broad range of youth recreational opportunities, fees are charged for some programs and services.</p> <p>This project will document current fee policies for programs and services within Parks and Recreation, assess whether youth activities programming fees serve as barriers to youth participation in the city's low-income areas, analyze disparities in offerings and programming, and identify potential policy and funding options that could reduce disparities and increase equity.</p>		<ul style="list-style-type: none"> Increased equity in youth rec services across the city 	
GOAL STATEMENT(S)		PROJECT SCOPE	
<ol style="list-style-type: none"> Document current youth rec services fee structure issues Analyze fee-based program & service offering and participation data by demographic (gender, race/ ethnicity/ geography) Complete research of market fee service models that promote equity across municipalities ID Policy and funding options to reduce disparities and increase equity. Goal statement for equity in parks programming plan. Funding proposal for a structurally sound and equitably distributed budget 		<p>In Scope</p> <ul style="list-style-type: none"> City wide youth fee-based rec services Pricing structure of city wide youth rec services Program offerings for city wide youth rec services Parks & Recreation Department Rec Check/ Summer Blast <p>Out of Scope</p> <ul style="list-style-type: none"> City wide youth Non fee-based rec services Non-city (Boys/ Girls Club, Schools) All other city departments 	
PROJECT PLAN		TEAM SELECTION	
High Level Phase/Milestone	Due Date	Name	Role
Develop data collection plan	4/28/17	Kristin Beckmann	Executive Champion
Complete analysis of current pricing structure	5/12/17	Mike Hahm	Project Sponsors
Complete analysis of the special fund that supports fee-based programs	5/12/17	Tom Russell, Gwen Peterson	Project Team Leader
Complete analysis of program offering & participation data	5/12/17	Andy Rodriguez, Clare Cloyd, Marissa Peterson	Project Team Member
Research best fee models that could increase equity	5/12/17	Mike Whaley, Gina Stokes, Trenton Henspeter	Subject Matter Experts
Develop options/ placeholder for policy and funding proposal	6/1/17	Cassi Johnson, Catherine Penkert	Innovation Consultant
Develop goal statement for equity in parks programming plan.	7/1/17		
Finalize fee model and goal statement	7/1/17		

Gina Stokes

Mike Whaley



PARKS FEE BASED SERVICES EQUITY PROJECT

CONTEXT, ASSUMPTIONS, & LIMITATIONS OF DATA

FINANCIAL DATA

- Data for vouchers was difficult to analyze and did not have a field for the location the voucher was redeemed.
- Unable to directly tie dedicated revenue to spending on certain special fund programs, including S'More Fun.
- Unable to separate funding for Summer Blast.
- Changes in accounting structure make it difficult to create a spending and revenue trend prior to 2015.
- The size and complexity of Parks' accounting structure created limitations in our ability to holistically analyze all of the revenue and spending tied to recreation services.

PARKS FEE BASED SERVICES EQUITY PROJECT

CURRENT FEE STRUCTURE

- Fees are **controlled at the building level** and set by recreation center staff.
- Fees are typically **based on the amount necessary to cover program costs**, such as fees for an external instructor.
- There is **no set criteria** for establishing fees.
- Surplus revenue from one program may support other programs within the same center or service area (region), but **surplus revenue is not shared across service areas**.

PARKS FEE BASED SERVICES EQUITY PROJECT

FEE ASSISTANCE

- **Fee assistance is available** to residents who meet eligibility requirements, up to 50% of the cost of an activity, up to \$100/child annually.
- Funding source is the Charitable Gambling Tax – the amount allocated depends upon the revenue received in that year.
- Not all fee assistance that is awarded in a year gets used.
- The amount of fee assistance used in a year is greater than the subsidy service areas receive, so the remainder becomes a lost revenue for that service area.

Year	Total Awarded	Total Subsidy	Fee Assistance Used	Lost Revenue
2015	\$35,439	\$13,989	\$25,550	-\$11,651
2016	\$36,362	\$18,302	\$25,000	-\$6,698

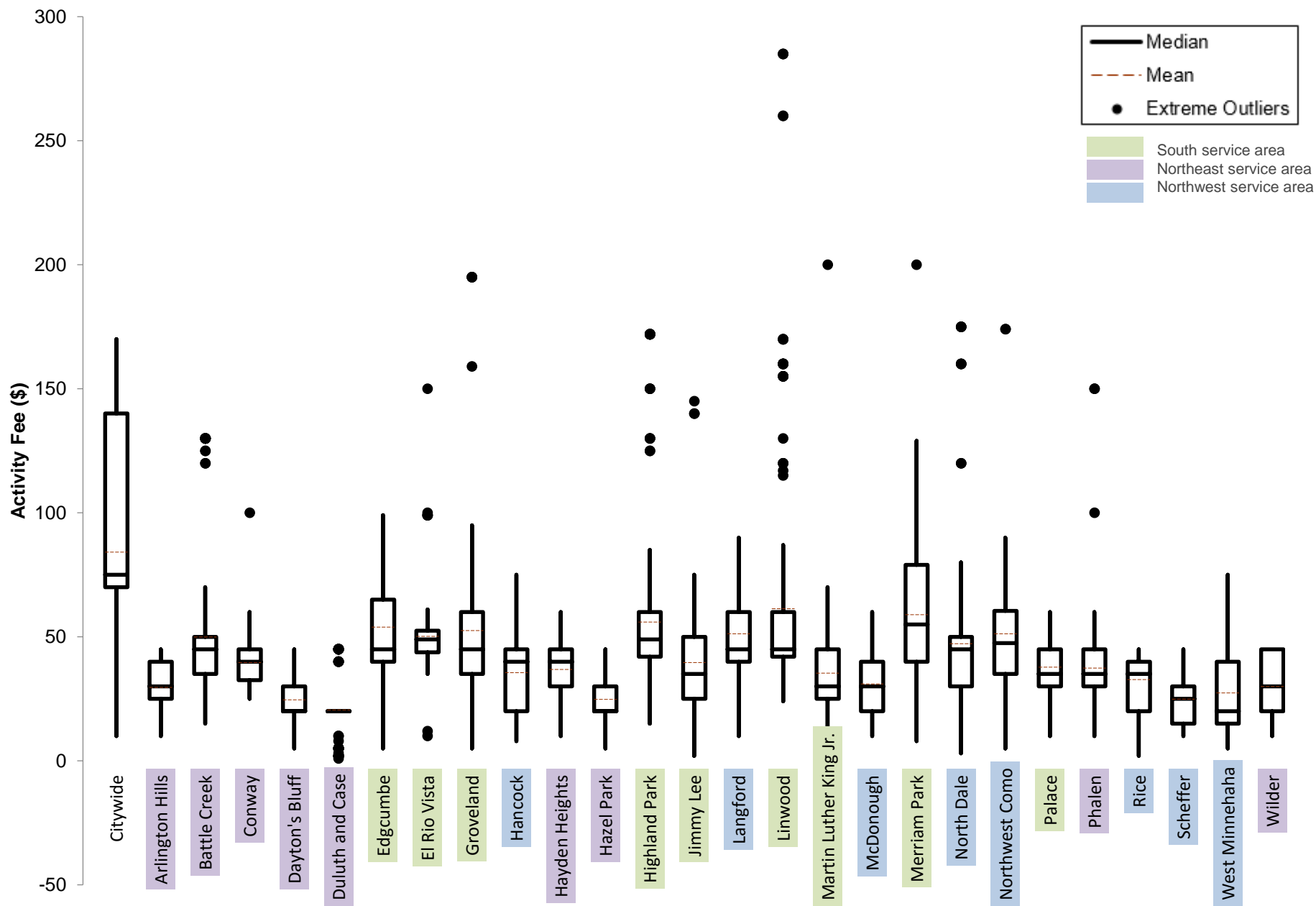
PARKS FEE BASED SERVICES EQUITY PROJECT

ACTIVITY FEES BY SERVICE AREA

- **Current fees appear to be responsive to area income**
 - Average and median fees are lower in lower-income areas of the city than in higher-income areas
 - The average activity fee in the South service area is 24% higher than the average fee in the Northwest and 56% higher than the average fee in the Northeast.

Activity Fee by Service Area (excluding free activities), Summer 2014-Dec 2016	Average Fee	Median Fee
Northeast	\$33.85	\$30
Northwest	\$42.52	\$40
South	\$52.80	\$45
Citywide	\$84.13	\$75
Total	\$46.22	\$45

Activity Fees by Rec Center, Excluding Free Activities, Summer 2014 - December 2016



PARKS FEE BASED SERVICES EQUITY PROJECT

CLASS REVENUE BY SERVICE AREA/FACILITY - 2016

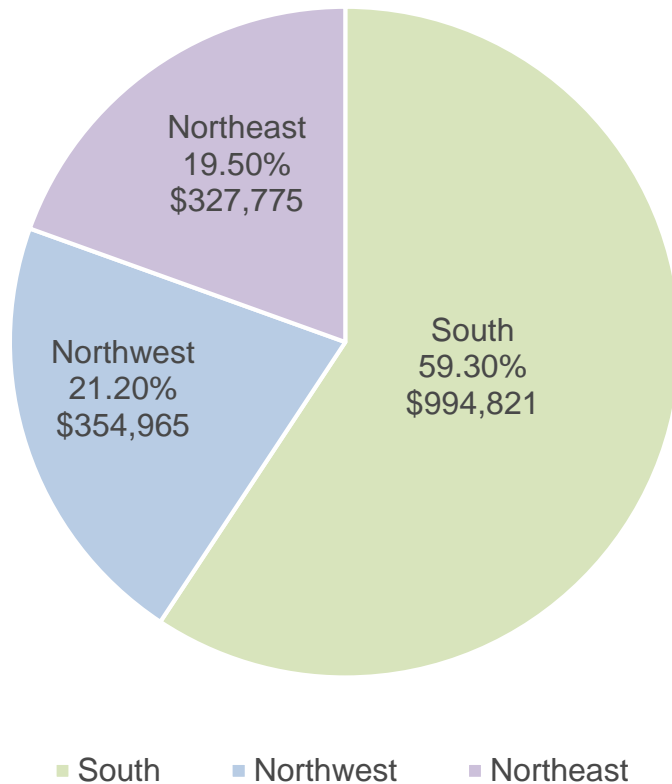
South \$327,265		Northwest \$160,098		Northeast \$91,223	
Highland	\$85,425	NW Como	\$58,662	Battle Creek	\$27,732
Edgecumbe	\$59,571	North Dale	\$47,393	Phalen	\$27,190
Linwood	\$58,558	Langford	\$37,090	Arlington	\$13,667
Jimmy Lee	\$31,043	W. Minnehaha	\$8,342	Hazel Park	\$7,518
Groveland	\$29,624	Hancock	\$3,955	Hayden Park	\$6,984
Merriam Park	\$20,861	McDonough	\$1,871	Duluth Case	\$5,017
MLK	\$17,392	Scheffer	\$1,836	Dayton's Bluff	\$1,685
Palace	\$15,352	Rice	\$950	Wilder	\$1,431
El Rio Vista	\$9,440				

There are large disparities in the amount of class revenue generated by each service area.

PARKS FEE BASED SERVICES EQUITY PROJECT

REVENUE BY SERVICE AREA

2016 Total Revenue by Service Area



Number of recreation centers generating over \$100,000:

- South – 4
- Northwest – 1
- Northeast – 1

Number of recreation centers generating less than \$20,000:

- South – 1
- Northwest – 3
- Northeast - 5

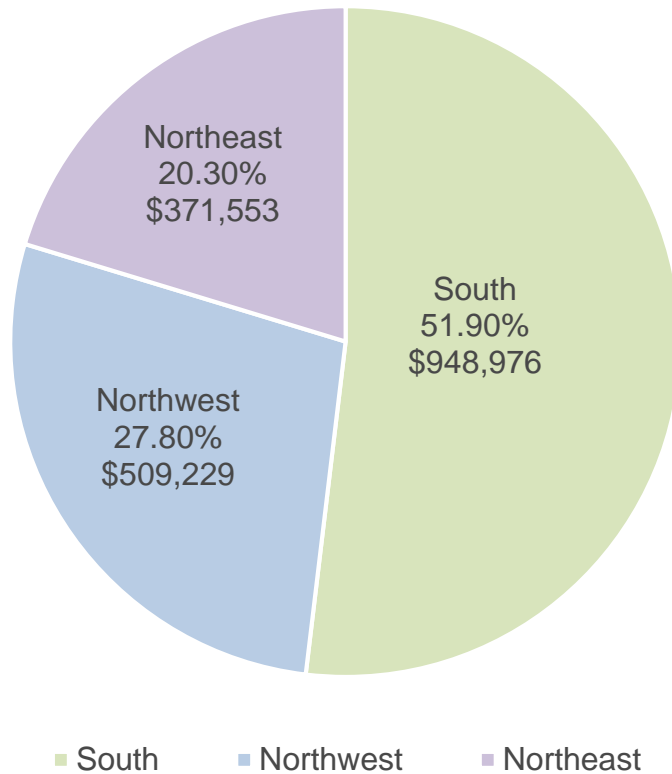
*Revenue includes registration fees, facility rent, S'More fun fees, concessions, and other miscellaneous.

3 of 5 S'More fun sites are in the South service area.

PARKS FEE BASED SERVICES EQUITY PROJECT

SPENDING BY SERVICE AREA

2016 Total Spending by Service Area



The South service area generates more revenue and spends more on recreation programming relative to the Northwest and Northeast service areas.

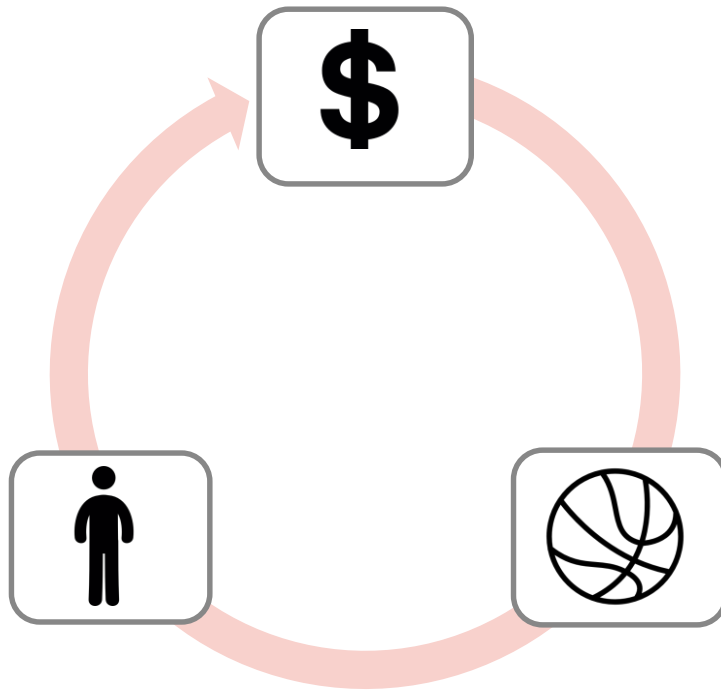
PARKS FEE BASED SERVICES EQUITY PROJECT

GENERAL FUND COMMITMENT TO FREE PROGRAMS

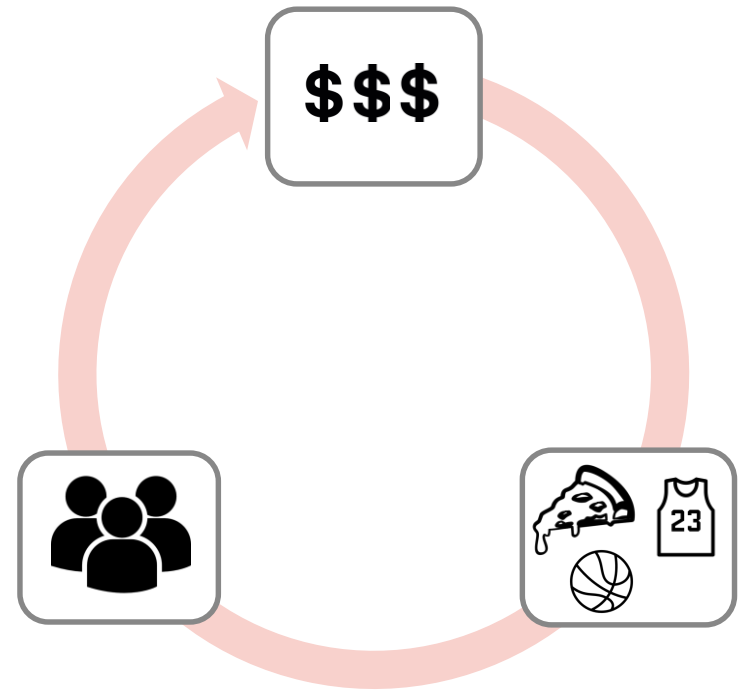
- General Fund dollars appropriated to the 'Rec Check' program since 2014:
 - 2014 - \$134,185
 - 2015 - \$155,727
 - 2016 - \$174,991
 - 2017 - \$161,882
- Over 90% of this budget is personnel expenses, so year to year variance is due to adjustments in the salary & fringe costs of the employees allocated to this program.

PARKS FEE BASED SERVICES EQUITY PROJECT

EQUITY ISSUE IN CURRENT FEE STRUCTURE



In the current fee structure, program quality and program offerings are directly related to the program fee.



This feedback loop perpetuates inequity in youth recreation services between service areas based on income and ability to pay fees.

PARKS FEE BASED SERVICES EQUITY PROJECT

CONTEXT, ASSUMPTIONS, & LIMITATIONS OF DATA

FEE-BASED PROGRAMS

- Numbers indicate enrollment, not participation
- Numbers are not unduplicated (e.g. a child who participated in more than one activity is counted as 2 participants)
- Assumptions about whether or not advertised programs ran:
 - ≤ 2 enrollees excluded
 - > 2 enrollees included
- Race/ethnicity data was not collected
- Source: Active.net

FREE PROGRAMS

- Numbers indicate participation and are unduplicated by center
- A large percentage of sessions were not tracked so the numbers here are an underrepresentation of participation
- Race/ethnicity data comes from SPSS via data sharing agreement
- Source: Sprockets database

PARKS FEE BASED SERVICES EQUITY PROJECT

OVERVIEW OF YOUTH PROGRAMS

FEE-BASED PROGRAMS

- Total of 44,178 participants in activities in 2014-2016
- 7,462 classes offered
- 2,860 classes ran (based on assumptions)
 - 38% of those offered

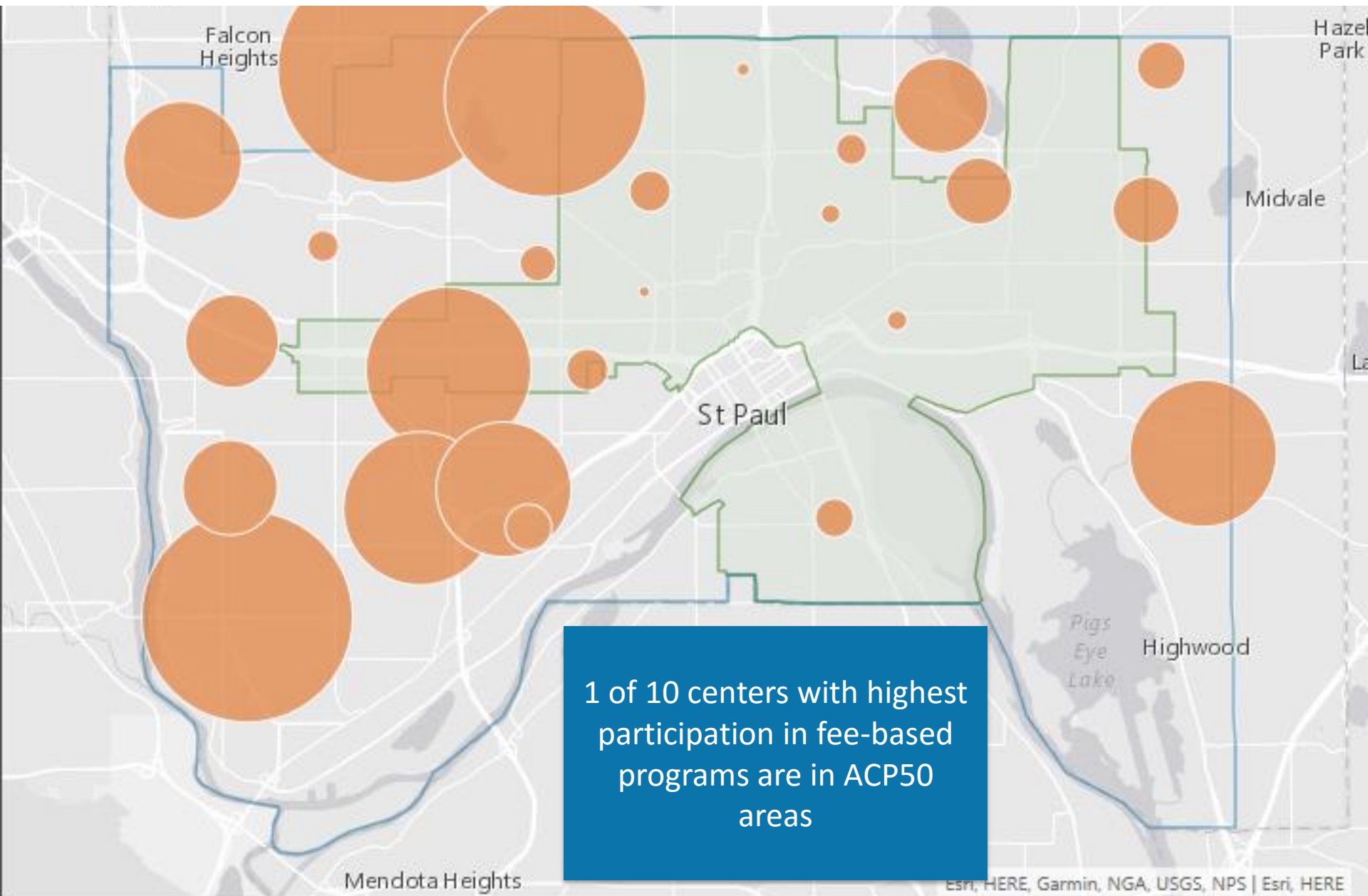
Note: This does not include a number of activities that are fully subsidized by Parks and Recreation and offered at no charge to the participants (e.g. Youth Co-Ed Volleyball at Battle Creek).

FREE PROGRAMS

- An additional 2,885 participants in Rec Check and Summer Blast

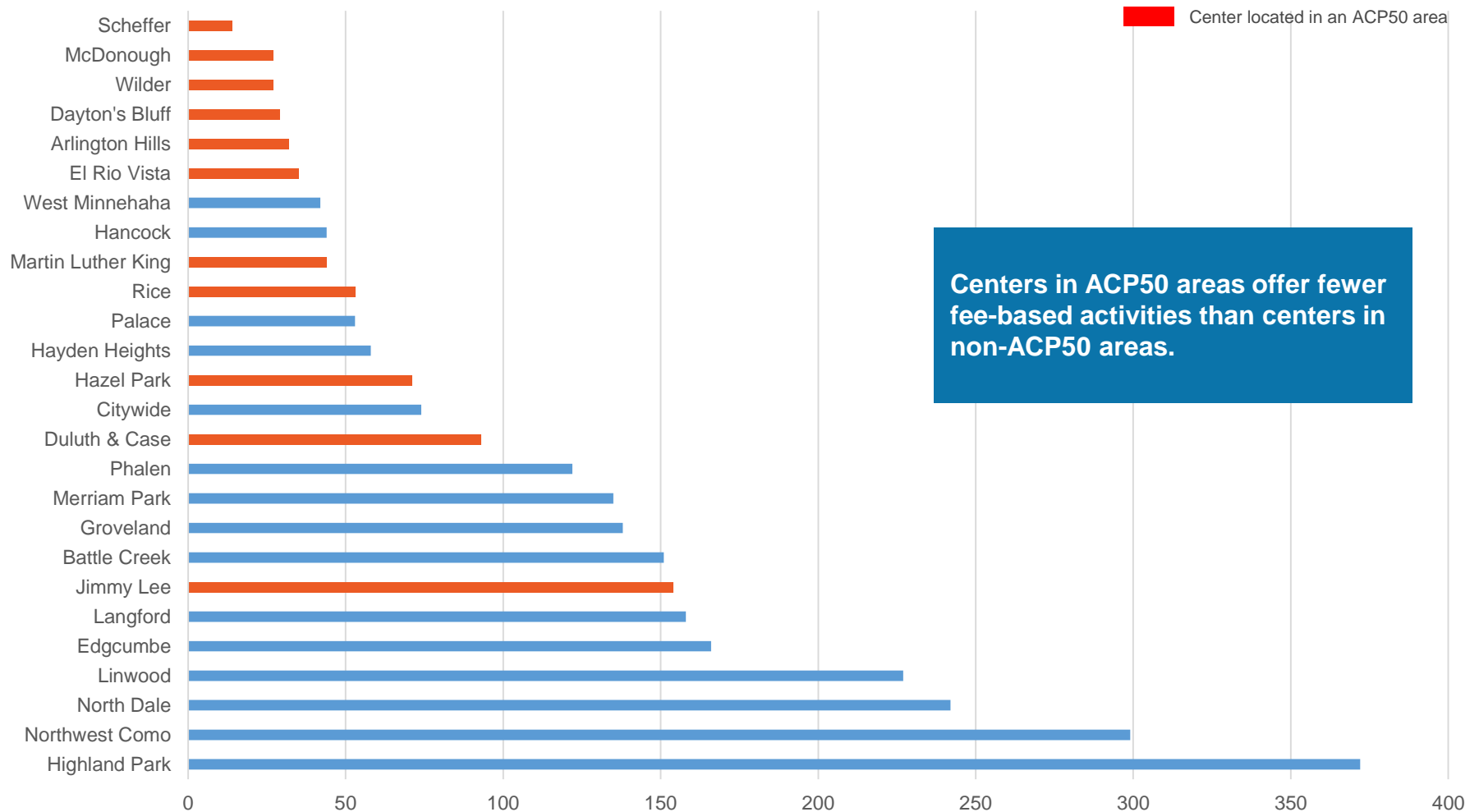
Note: It is not possible to do an apples-to-apples comparison of data in fee-based and free programs due to data limitations, including significant undercounting in the free program data.

Participation in Fee-Based Programs, by Rec Center, & ACP50



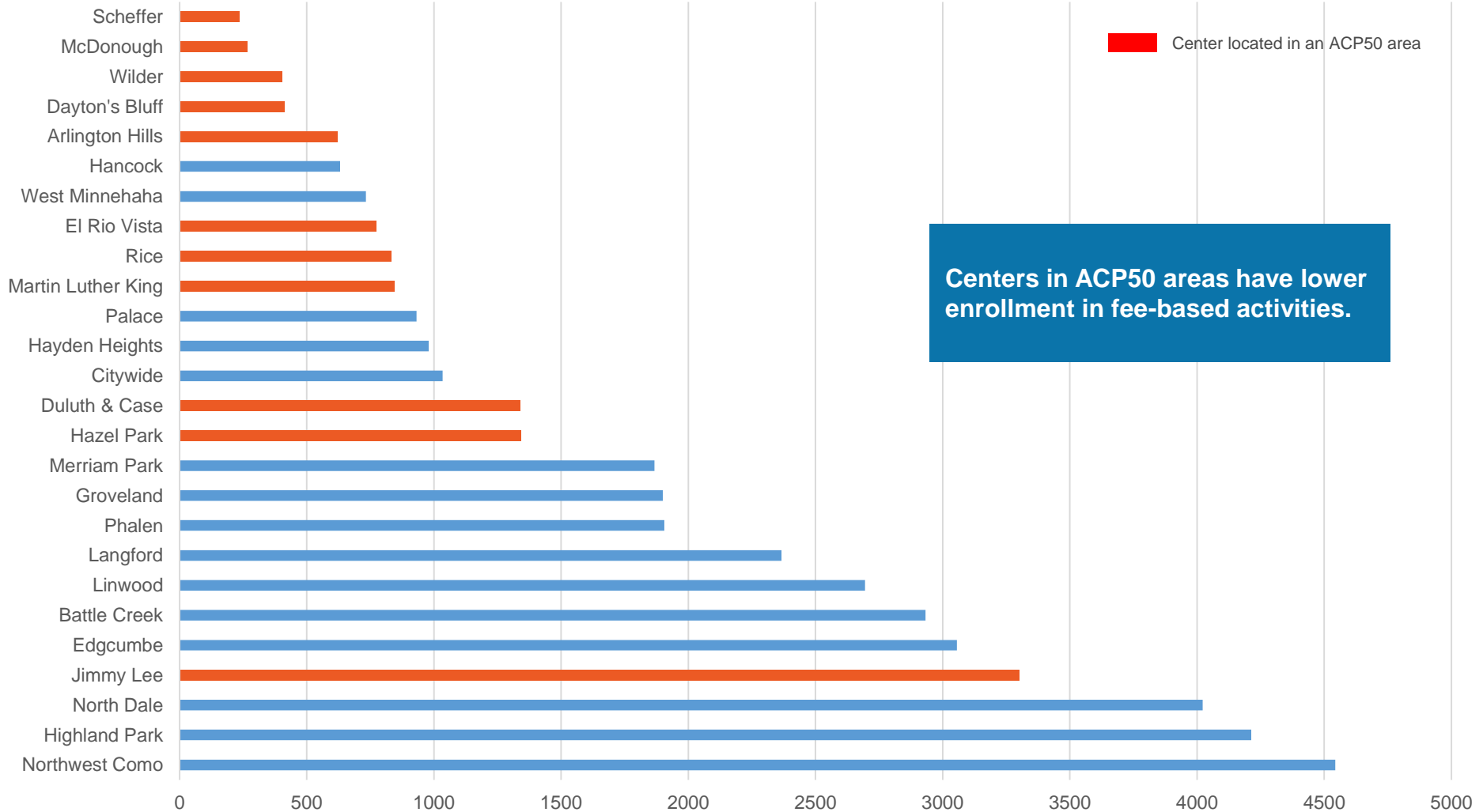
ENROLLMENT ANALYSIS OF FEE-BASED PROGRAMS

Total Number of Fee-Based Youth Activities Offered, by Center, 2014-2016



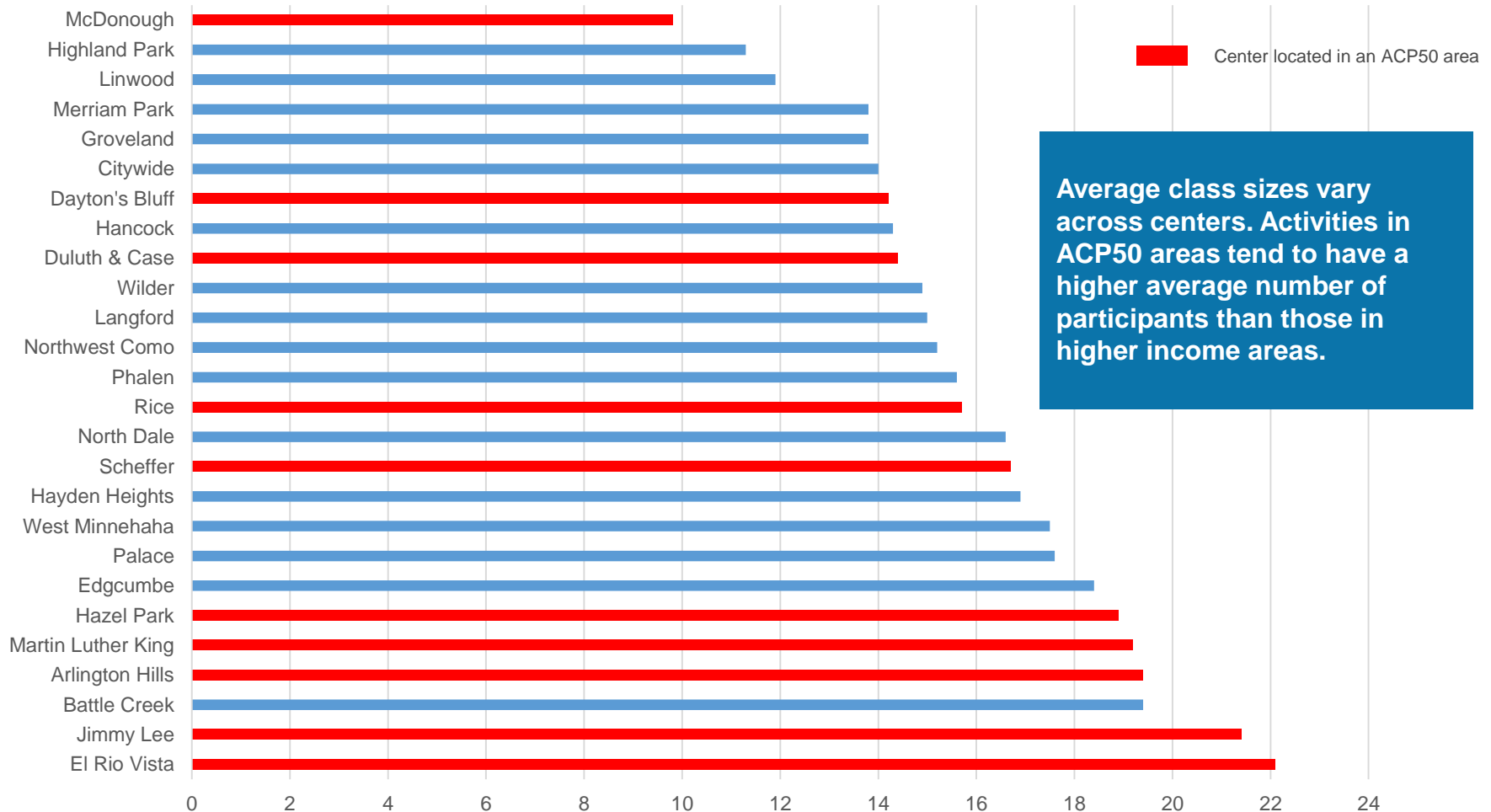
ENROLLMENT ANALYSIS OF FEE-BASED PROGRAMS

Total Enrollment in Fee-Based Youth Activities, By Center, 2014-2016

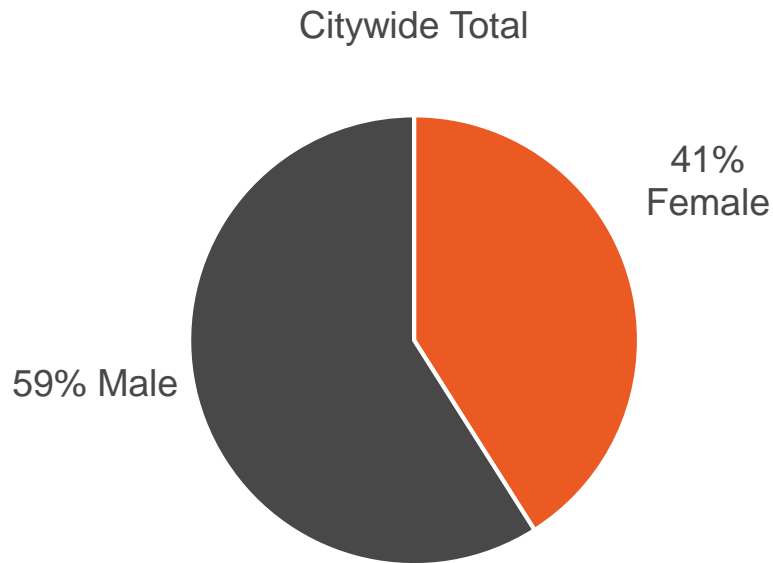


ENROLLMENT ANALYSIS OF FEE-BASED PROGRAMS

Average Class Size for Fee-Based Youth Activities, By Center, 2014-2016



GENDER ANALYSIS OF FEE-BASED PROGRAMS

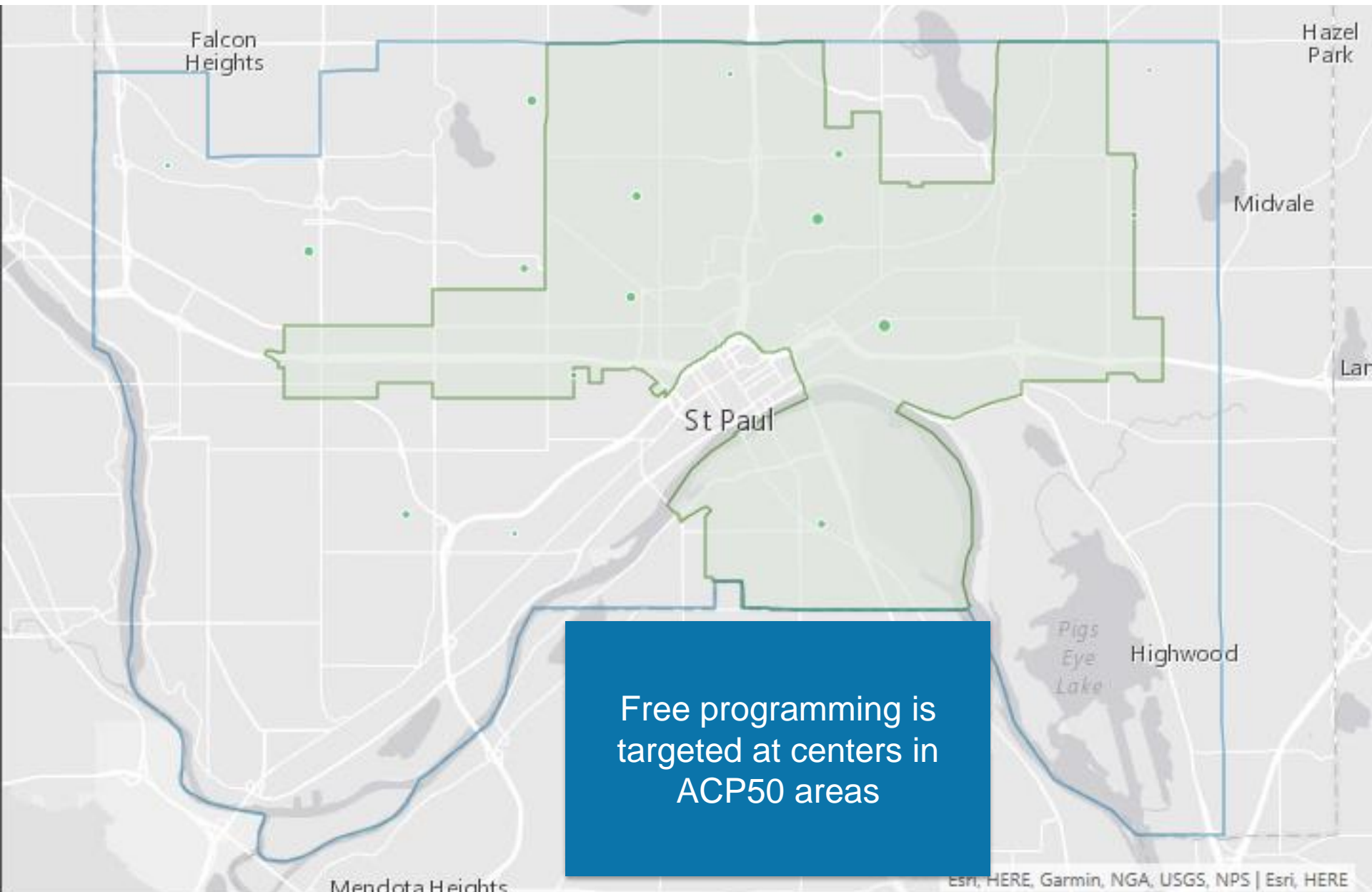


**2010 projected census data indicates that Ramsey County youth ages 5-9 are approximately 51% male and 49% female.*

More males than females participate in fee-based youth programs.

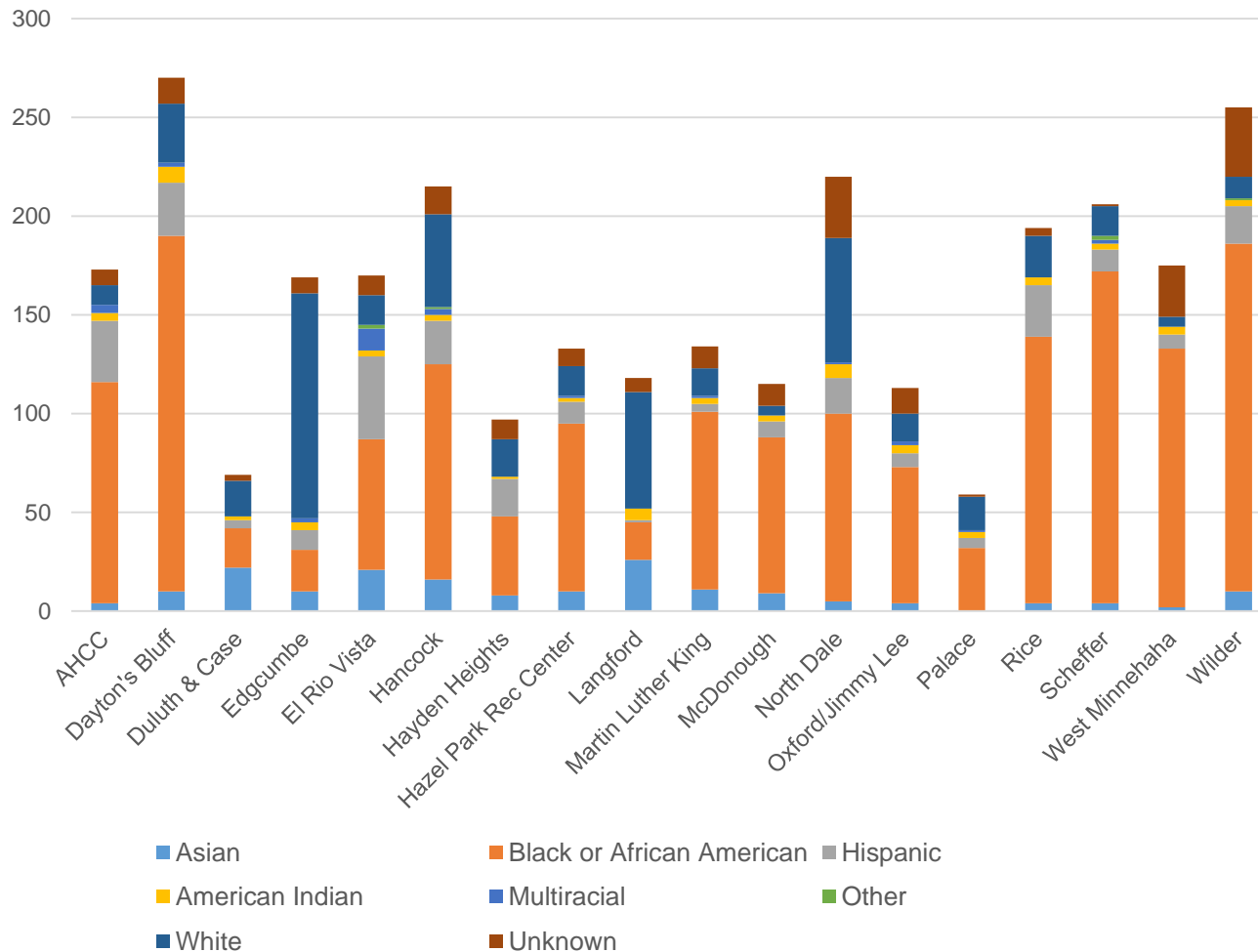
	% Female	% Male	N
Citywide (classes)	49%	51%	866
Arlington Hills	28%	72%	186
Battle Creek	45%	55%	1,944
Dayton's Bluff	29%	71%	201
Duluth & Case	42%	58%	552
Edgumbe	43%	57%	2,182
El Rio Vista	68%	32%	201
Groveland	37%	63%	1,795
Hancock	43%	56%	325
Hayden Heights	29%	71%	766
Hazel Park	39%	61%	717
Highland Park	55%	45%	3,977
Jimmy Lee	41%	59%	2,137
Langford	42%	58%	1,785
Linwood	41%	59%	2,597
Martin Luther King	65%	35%	541
McDonough	5%	95%	118
Merriam Park	43%	57%	1,373
North Dale	38%	62%	3,148
Northwest Como	39%	61%	3,878
Palace	20%	80%	613
Phalen	38%	62%	1,363
Rice	17%	83%	762
Scheffer	5%	95%	62
West Minnehaha	9%	91%	455
Wilder	0%	100%	43

Rec Check & Summer Blast Participation by Rec Center



RACE/ETHNICITY ANALYSIS OF REC CHECK & SUMMER BLAST

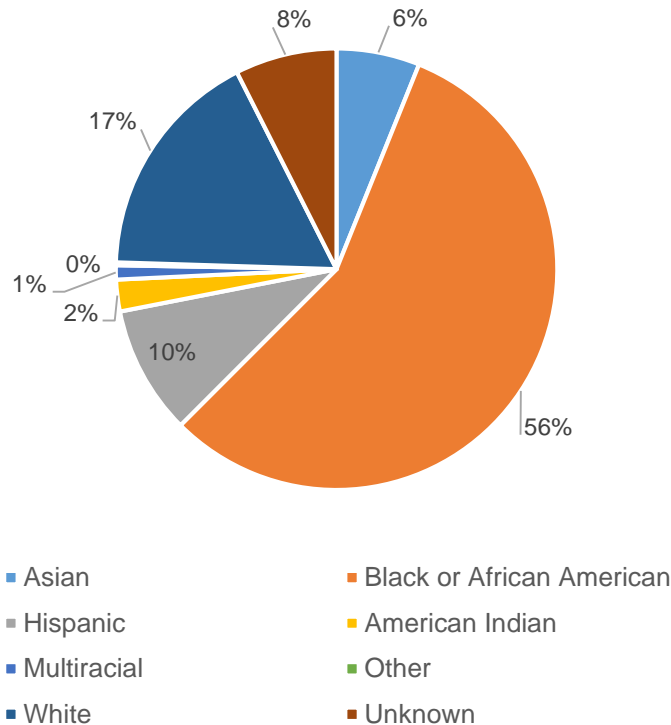
Rec Check and Summer Blast Participants, by Race, 2014-2016



At least 75 percent of Rec Check and Summer Blast participants are youth of color (17 percent white; 8 percent unknown).

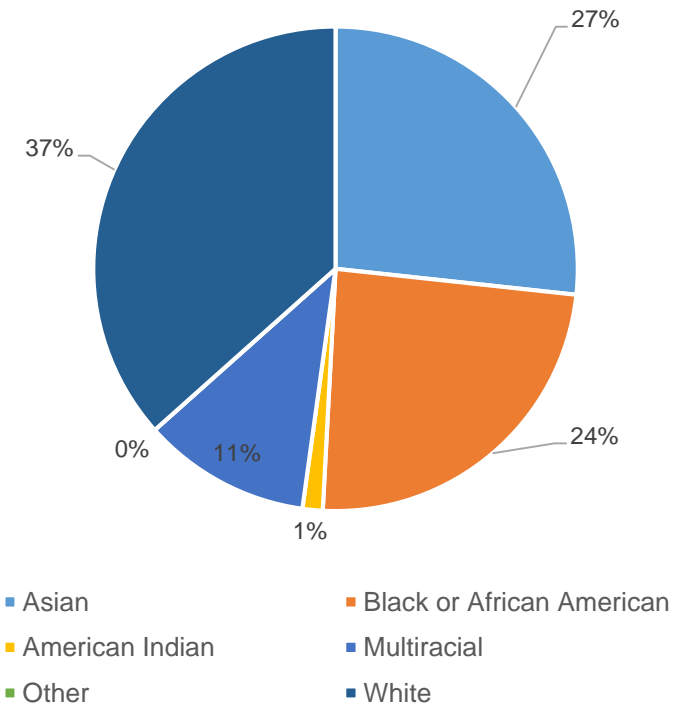
RACE/ETHNICITY ANALYSIS OF REC CHECK & SUMMER BLAST

Rec Check and Summer Blast Participants,
By Race/Ethnicity, All Sites, 2014-2016



Asian and Hispanic/Latino youth of color are underrepresented in Rec Check and Summer Blast.

Saint Paul Children under 18 years old, by
race

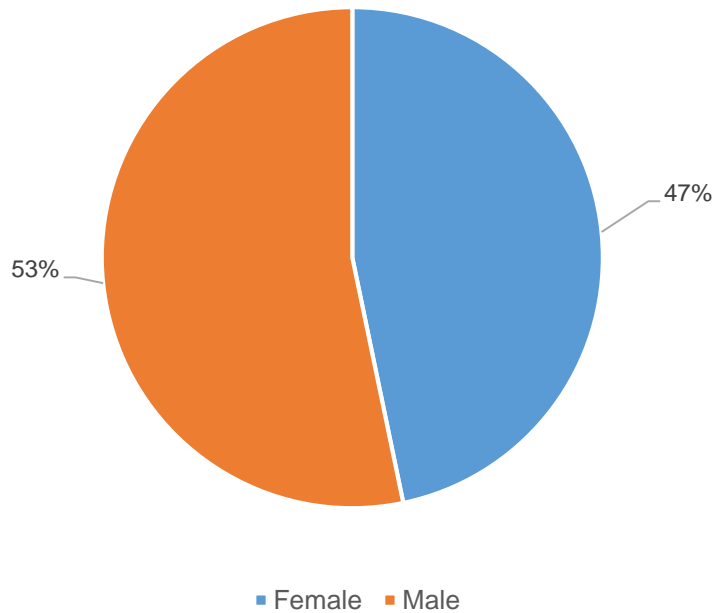


14% Hispanic or Latino (of any race)

Source: 2011-2015 American Community Survey 5-Year Estimates

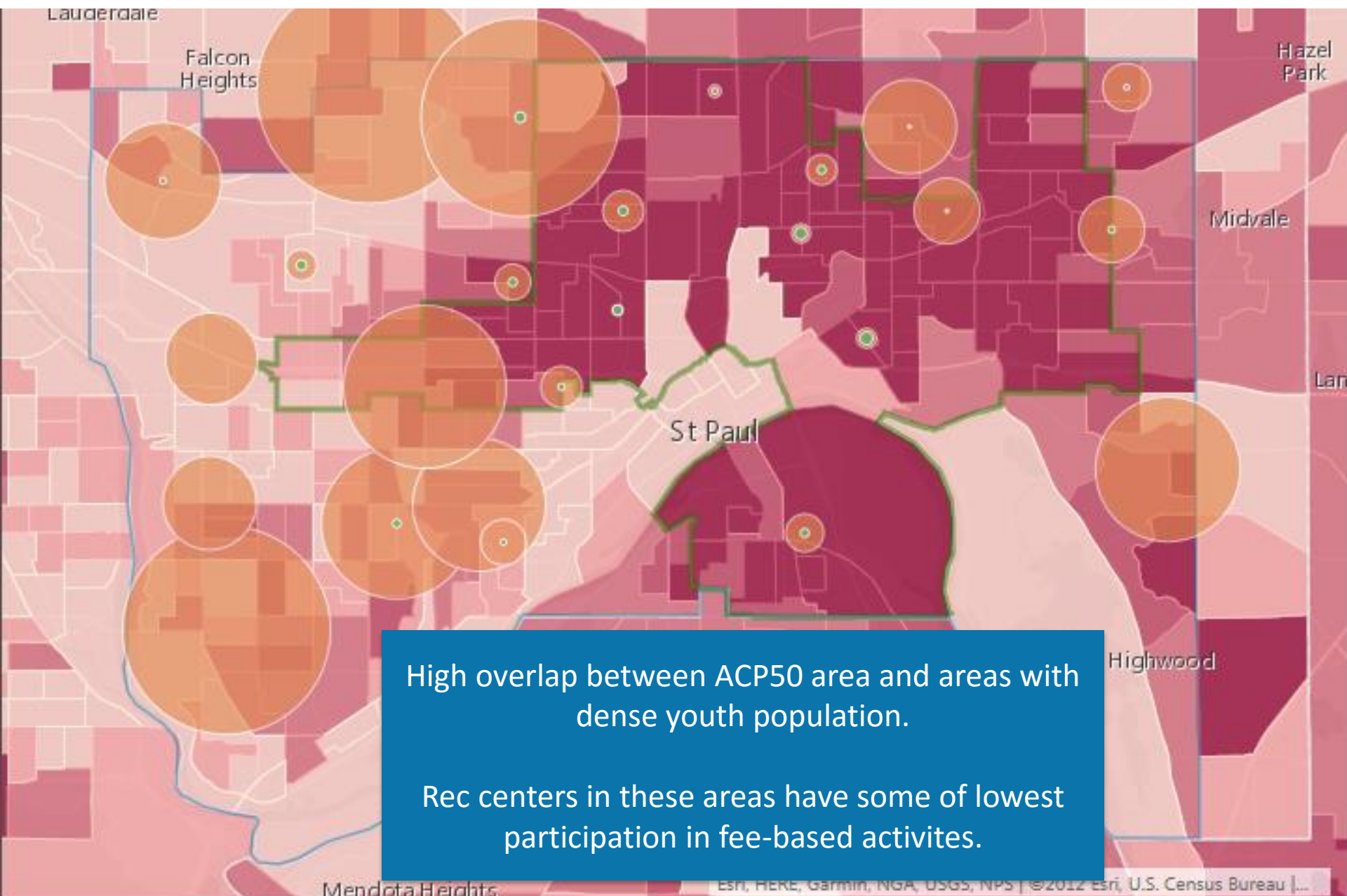
GENDER ANALYSIS OF REC CHECK & SUMMER BLAST

Rec Check and Summer Blast Participants By Gender,
2014-2016



Rec Check and Summer Blast are more gender-balanced than fee-based youth activities.

Total Participation, ACP50, and Population Density of Youth (Under 18)



PARKS FEE BASED SERVICES EQUITY PROJECT

SUMMARY OF FINDINGS

- Of the 10 centers with highest enrollment, only 1 is in ACP50 neighborhoods
- Many centers in areas with high concentration of youth have relatively low enrollment in fee-based activities
- Many centers with high enrollment are located next to one another
- A large portion of classes offered presumably do not run (2 or fewer children enrolled)
 - This data does not reflect an effort in the past year to more closely align programming with community needs and interests.
- Total City enrollment is not gender balanced

PARKS FEE BASED SERVICES EQUITY PROJECT

MARKET FEE SERVICE MODELS RESEARCH

The Parks Fee-Based Services Equity Project Team conducted a brief scan of market fee service models that promote equity across municipalities.

The scan included a review of funding policies from 5 cities that are known for their racial equity practices and included in-person or telephone interviews with 3 of the cities.

Cities included

- Portland
- Seattle
- Flagstaff
- Corvallis
- Minneapolis

Program fees were frequently cited as a barrier to participation for low-income residents, even where fee waivers or scholarships are available.

Market Research Finding

PARKS FEE BASED SERVICES EQUITY PROJECT

PILOT PROGRAMS IN OTHER CITIES

Both Seattle and Portland referenced formal pilot programs where recreation fees were offered at no cost and participation increased significantly.

PORTLAND

Developed a pilot program focused in the Latino community where they isolated the program fee as the significant barrier to access after controlling for other factors like cultural relevance of programming and Spanish-speaking instructors.

SEATTLE

proposed in their 2016 strategic plan a pilot that to waive fees for 8-9 programs at 5 recreation centers with high rates of fee waiver requests. The estimated 2017 cost for the pilot was \$315,000; the funding was not approved by City Council.

PARKS FEE BASED SERVICES EQUITY PROJECT

MARKET FEE SERVICE MODELS RESEARCH

Scholarship and fee waiver programs were not regarded as an ideal solution for reducing barriers to participation. Filling out applications for fee waivers was cited as a barrier for program participation, particularly for residents for whom English is a second language, even where interpretation/ translation and technical assistance for completing fee waiver applications was offered.

Seattle Parks and Recreation has a policy that caps the percentage of surplus funds from program and user fees at individual community centers. Funds from program and user fees, over a certain percentage, are moved to a centralized fund that can be accessed by other centers for special programming. This policy prevents centers in higher wealth areas from accumulating resources for special programming that may not be available in lower wealth areas.

PARKS FEE BASED SERVICES EQUITY PROJECT

MARKET FEE SERVICE MODELS RESEARCH

Cities use cost recovery/ subsidy policies to create targets for subsidy rates based on equity and inclusion goals. Portland, Flagstaff, and Corvallis have policies that target a percentage of direct and indirect costs that will be covered by program fees. Cost recovery targets were lower (subsidy rates higher) for youth, lower income areas, and sometimes seniors.

PORTLAND'S COST RECOVERY MODEL

AGE GROUP	NEIGHBORHOOD INCOME	DIRECT RECOVERY	TOTAL RECOVERY
Adult Adult	Median & Above Low	110% 50%	63% 26%
Youth Youth	Median & Above Low	80% 40%	42% 23%
Mixed Mixed	Median & Above Low	95% 45%	53% 25%
All	All	70%	39%

PARKS FEE BASED SERVICES EQUITY PROJECT

MARKET FEE SERVICE MODELS RESEARCH

There was great variability in how program fees are set and the degree to which they are standardized. Two notable tools emerged for increasing equity in program fees and offerings:

Portland is implementing new operating procedures to achieve greater standardization in program offerings, pricing, and quality by structuring teams and financial analysis by functional area in addition to service areas.

Flagstaff uses a program proposal form to capture the ratio of individual versus community benefit for each program, participant demographics, and other factors as an input to both pricing and program evaluation.

PARKS FEE BASED SERVICES EQUITY PROJECT

POLICY AND FUNDING OPTIONS ASSUMPTIONS

The project team developed three funding and policy models for consideration by Steering Committee, working under the following assumptions:

The models are not mutually exclusive. Components of each of the models can be implemented independently or together.

Any effort to reduce program fees **must preserve quality**.

Value to the customer must be standardized across class types **regardless of program fee** (ie. dance should include similar amenities like costumes and recitals and the instructor should be of similar quality).

PARKS FEE BASED SERVICES EQUITY PROJECT

MODEL #1: FREE PROGRAMMING AT SELECT SITES

Description	Choose a number of top programs to offer for free at sites that meet criteria (ACP50, identified as “underserved” via analysis, etc).	
Potential funding mechanisms	Subsidy through general fund commitment.	
Timeline to implement	Immediate	
Operational considerations	<ul style="list-style-type: none">• Identify sites• Identify the classes• Evaluation plan• Marketing and outreach plan• Coordination with waiver program	<ul style="list-style-type: none">• Budget constraints may impact scalability/ sustainability• Consumer perception of “free” meaning reduced value• Potential risk of setting expectations for free classes and then not continuing
Impact	Average class cost/ fee is \$40 Investment / \$40 = # of kids served Average of 10 kids / class	

PARKS FEE BASED SERVICES EQUITY PROJECT

MODEL #2: EQUITY VIA REVENUE SHARING

Description	Simple budgeting at the recreation center level, with quarterly check-in for staff to inform their decision-making, including: <ul style="list-style-type: none">• ROI analysis of programming (pre- and post- assessment)• Increased accounting information for staff to ensure sound decision-making	
Potential funding mechanisms	<ul style="list-style-type: none">• Revenue sharing from high wealth to low wealth service areas• Revenue generation from high performing programs• Redefining service areas so that current practice of moving funds within service areas allows for more equitable distribution across the city.• Transfer of surplus revenue from centers to centralized fund	
Timeline to implement	2+ Years	
Operational considerations	<ul style="list-style-type: none">• Require market study to determine capacity for increased revenue• Develop ROI capability in Active• Develop program proposal/ evaluation system• Capacity building for staff on new process, budgeting, and ROI	<ul style="list-style-type: none">• Determine how to separate operational from financial structure if service areas are redefined• Address concerns around transparency and revenue sharing model• Requires increased revenue to be able to share
Impact	Impact dependent on increased revenue	

PARKS FEE BASED SERVICES EQUITY PROJECT

MODEL #3: TARGET SUBSIDY RATES BY GROUP

Description	<ul style="list-style-type: none">• Program offerings would be standardized across sites in terms of cost and value to customer. (ie, dance offerings are the same in terms of instructor quality, uniform, recital, etc).• Program fees would be set on a sliding scale by facility, using criteria (ACP50, identified as “underserved by programming” via analysis, etc)
Potential funding mechanisms	<p>Subsidy through capturing increased revenue for classes or services that yield less community benefit, or;</p> <p>Subsidy through general fund commitment.</p>
Timeline to implement	2+ Years
Operational considerations	<ul style="list-style-type: none">• Increased collaboration across functional teams (sports, cultural programs, etc) required to develop more standard offerings.• Develop administrative capability to track class value/ offerings• Develop increased capacity for analyzing direct/ indirect costs and calculating target rates.
Impact	Impact dependent on subsidy or increased revenue.

PARKS FEE BASED SERVICES EQUITY PROJECT

OVERARCHING RECOMMENDATIONS

The project team identified overarching recommendations that should be implemented in conjunction with a new policy and funding model to ensure effectiveness of implementation:

INCREASED TRANSPARENCY

More data and clear criteria for setting program fees and program offerings would provide more transparency and accountability to our racial equity goals.

REDESIGN OF FEE WAIVER MODEL

Each of the fee model options would require additional assessment of how the fee waiver program integrates. Also, initial analysis indicates that the way fee waiver dollars are applied to recreation center budgets may not be equitable.

PARKS FEE BASED SERVICES EQUITY PROJECT

OVERARCHING RECOMMENDATIONS

BETTER USE OF DATA

This analysis was significantly constrained by the lack of data and poor data quality. Enhanced data collection is critical to evaluating the success of current and future equity initiatives.

Recommendations for data collection and analysis include:

- Collection of self-identified race and ethnicity data of program participants
- Increased quality of participant, enrollment, class offering, and fee waiver data in Active
- Greater resolution in cost and revenue data at the level of program, center, service area, and functional area
- Use of service performance management data and metrics to support programmer decision-making
- More consistent use of Sprockets database to track unduplicated participation

PARKS FEE BASED SERVICES EQUITY PROJECT

OVERARCHING RECOMMENDATIONS

ADDITIONAL INQUIRY INTO BARRIERS TO ACCESS AND PARTICIPATION

This analysis is based on the assumption that program fees are the primary barrier to access. Additional research with customers is needed to fully understand barriers and opportunities for equity and to ensure program quality.

Parks has one staff member trained in the use of the Youth Program Quality Intervention (YPQA) approach to assess and improve youth program quality system-wide. Increased use of the YPQA approach to continuous quality improvement would be supportive of many of the recommendations within this analysis.

PARKS FEE BASED SERVICES EQUITY PROJECT

ADDITIONAL OPPORTUNITIES

The project team identified several additional promising opportunities that are out of scope for this project and may require additional resources but are recommended for future exploration:

EQUITY ANALYSIS OF OUT OF SCHOOL TIME PROGRAMS

Additional racial equity analysis of both program structure and the fee model for S'More Fun and Rec Check/ Summer Blast is required to understand potential equity concerns. Initial findings indicate that S'More Fun, a fee-based out of school time program, generates revenue for recreation centers in higher wealth areas that can be reinvested in other youth programming. Rec Check, a free drop-in program typically offered in lower wealth areas, does not generate revenue and offers less structured programming.

PARKS FEE BASED SERVICES EQUITY PROJECT

ADDITIONAL OPPORTUNITIES

COORDINATE APPROACH TO PARTNERSHIPS

Currently there is no coordinated approach to seeking grant funding for Parks programming. Grant funding supports primarily capital expenses or is executed at the center level by individual staff members. A more coordinated approach to fundraising with professional support could bring additional investment to Parks programming through public and private grants and business partnerships.

INDIVIDUAL CONTRIBUTIONS MAY HELP BRIDGE THE GAP

Asking Parks program participants for a donation to support program fees for families who can't afford them when they register and pay for classes could generate revenue to support free or reduce price classes.

THANK YOU!

