

Funding for Municipal Recreation Projects

September 2008

In rural Pennsylvania, municipalities are an important provider of recreational facilities and activities. According to the Governor's Center for Local Government Services, in 2005, the state's 1,655 rural municipalities spent a total of \$25.5 million on recreation.

The Department of Conservation and Natural Resources' (DCNR) Bureau of Recreation and Conservation (BRC) is responsible for assisting communities in planning, acquiring and developing recreation facilities. The Bureau awards millions of dollars in grants each year to help communities conserve natural and cultural resources, provide outdoor recreation, enhance tourism and foster economic development.

Goals and Methods

To learn more about the rural municipalities that apply for these grants and to understand whether these municipalities are successful in securing funding, the Center analyzed the BRC database. The Center examined the characteristics of rural municipalities that applied and did not apply for recreational grants; analyzed the success rate of rural municipalities in receiving recreational grants; and determined the purpose of the rural recreational grants.

Data Sources

The BRC grants database contains information about the grant applicant (name and type of organization, location, etc.), the type of grant for which the municipality is applying, and the funding amount requested. For successful applicants, the funding source, such as Growing Greener or the Keystone Recreation Fund, was also recorded. BRC assigns each applicant a unique code number and the year (grant round) in which the application is reviewed.

The Center for Rural Pennsylvania obtained a copy of this database for 1995 to 2008. The following analysis, however, only covers the 10-year period of 1998 to 2007. In addition, the Center's analysis focused only on municipal governments and excluded all other organizations, such as land trusts, nonprofit organizations, county governments, and state/federal government agencies.

The Center then linked the municipalities in the database to selected demographic and economic data from the U.S. Census Bureau (population, age cohort, income and poverty); as well as with data from the 2003, 2004, and 2005 *Municipal Financial Statistics* from the Governor's Center for Local Government Services (a three-year

Table 1: Applications for BRC Recreational Grants by Organization Type, 1998 to 2007

	Applications		Successful Applications		Total Grant Awards	
	# Applications	% Total	# Applications	% Total	\$ Amount	% Total
Municipal Governments	3,991	60.9%	2,062	56.9%	\$157,006,823	38.9%
Non-profit Organizations	1,591	24.3%	924	25.5%	\$151,621,645	37.6%
County Governments	411	6.3%	280	7.7%	\$34,808,760	8.6%
Municipal Authorities	249	3.8%	172	4.8%	\$22,248,302	5.5%
State Government Agencies	110	1.7%	67	1.9%	\$3,284,822	0.8%
For Profit Corporations	50	0.8%	19	0.5%	\$2,588,911	0.6%
Councils of Governments	42	0.6%	35	1.0%	\$3,489,650	0.9%
Public Universities	40	0.6%	23	0.6%	\$25,353,450	6.3%
Public School Districts	35	0.5%	15	0.4%	\$1,298,480	0.3%
Conservation Districts	20	0.3%	14	0.4%	\$656,886	0.2%
Federal Government Agencies	14	0.2%	9	0.2%	\$1,176,632	0.3%
Local Development Districts	2	<0.1%	1	<0.1%	\$100,000	<0.1%
Total	6,555	100.0%	\$3,621	100.00%	\$403,634,361	100.00%

Data source: Bureau of Recreation and Conservation, Pennsylvania Department of Conservation and Natural Resources

Definitions

Rural/urban municipality. A municipality is rural when the population density within the municipality is less than 274 persons per square mile or the municipality's total population is less than 2,500 unless more than 50 percent of the population lives in an urbanized area, as defined by the U.S. Census Bureau. All other municipalities are considered urban.

Data Limitations

No measure of funding impact: No attempt was made to measure the impact of BRC municipal recreation funding. Such analysis is beyond the scope of BRC's database and would require considerable primary data collection.

Municipalities may have other methods for receiving recreational services. Some municipalities have created authorities or have entered into inter-municipal agreements to provide recreational facilities and services. For these municipalities, it may not be necessary to apply for BRC funding. As a result, these municipalities may be falsely identified as non-applicants. The impact of such an error is somewhat softened by the fact that the majority of BRC applicants is municipal governments. (See Table 1 on Page 1)

Use of other funding sources: For a variety of reasons, some municipalities decided not to apply for BRC funds. These reasons may include: not being aware of funding availability; not considering recreation as a municipal priority or a need; and using their own or other funds to provide recreation. As a result, caution should be used in determining why some municipalities applied for funding and others did not.

average was used for total expenditures and parks and recreation expenditures). The additional data were used to better understand the characteristics of municipalities that applied for and received funding or that did not apply for funding. Along with the profiling, various statistical tests were used to determine if a significant relationship existed between those who applied and did not apply for funding, as well as those who applied for and received grants and those who did not.

Results

Applying for Grants

From 1998 to 2007, 1,356 (53 percent) Pennsylvania municipalities applied for BRC grants and 1,207 (47 percent) did not. Among Pennsylvania's 1,653 rural municipalities, 38 percent applied and 62 percent did not. Among the 910 urban municipalities, 80 percent applied and 20 percent did not.

Among rural municipalities (Table 2), there are a number of significant differences between those that applied for funding and those that did not:

- Rural townships were less likely to apply for a grant than rural boroughs (33 percent vs. 49 percent, respectively).
- Rural municipalities that applied for a grant had, on average, nearly 970 more residents than those that did not. They also had nearly double the population density.
- Among rural municipalities that applied for grants, there were no significant differences in age cohorts, income, poverty rates, or per capita municipal expenditures.

Among rural and urban municipalities that applied for BRC funding, there was a statistically significant difference for each variable listed in Table 2 except population change, poverty rate, and the parks and recreational expenditures as a percent of total expenditures.

Number of Grant Applications

For each funding cycle, municipalities may submit to BRC multiple applications for various grant programs. From 1998 to 2007, BRC received 3,991 applications; 35 percent were from rural municipalities and 65 percent were from urban municipalities. On average, this comes to 2.2 applications per rural municipality and 3.6 applications per urban municipality that applied.

As Figure 1 on Page 4 shows, 44 percent of rural municipalities submitted only one application to BRC from 1998 to 2007, compared to 25 percent of urban municipalities.

Rural municipalities that submitted two or more applications have an average of 700 more residents and a faster growing population than rural municipalities that only submitted one application. In addition, the municipalities that submitted two or more applications spent an average of nearly \$20,000 more per year on recreation than municipalities that submitted one application.

Table 2: Characteristics of Rural and Urban Municipalities that Applied\Did Not Apply for BRC Funding

	RURAL MUNICIPALITIES		URBAN MUNICIPALITIES	
	Applied (n=626)	Did Not Apply (n=1,027)	Applied (n=730)	Did Not Apply (n=180)
MUNICIPAL TYPE				
Total # Municipalities	626	1,027	730	180
Boroughs	223	230	392	115
Townships (1 st & 2 nd Class)	401	797	286	63
Cities (All Classes)	2	0	52	2
MUNICIPAL MANAGER				
Municipal Manager	82	40	428	72
No Municipal Manager	544	987	302	108
DEMOGRAPHICS				
Average Population, 2007 (est.)	2,410	1,442	11,763	4,754
% Change in Population, 2000-07	4.5%	2.7%	0.4%	2.5%
Population Density, 2000	111	58	1,457	753
% Population Under 18 Years Old, 2000	24.3%	24.9%	23.6%	23.3%
% Population 65 Years Old & Older, 2000	14.9%	14.3%	15.9%	16.2%
INCOME/POVERTY				
Per Capita Income, 2000	\$18,798	\$17,492	\$21,455	\$24,366
Poverty Rate, 2000	8.4%	9.4%	12.1%	6.9%
FULL-TIME MUNICIPAL EMPLOYEES				
Average # Full-Time Employees, 2007	5	2	83	15
# Full-Time Employees per 1,000 Residents, 2007	2.0	1.5	7.0	3.2
MUNICIPAL EXPENDITURES				
Average Expenditures, 2003-05	\$824,695	\$400,275	\$16,716,886	\$2,897,211
Per Capita Expenditures, 2003-05	\$356	\$282	\$1,420	\$618
PARK & RECREATIONAL EXPENDITURES				
Average Expenditures, 2003-05	\$27,857	\$4,365	\$589,640	\$111,938
Per Capita Expenditures, 2003-05	\$12	\$3	\$50	\$24
As Percent of Total Expenditures, 2003-05	3.4%	1.1%	3.5%	3.9%

Data sources: U.S. Census Bureau and Governor's Center for Local Government Services

Project Costs and Requested Amount

Among the 626 rural municipalities that submitted an application to BRC, the total funding needed to complete all projects was \$167.8 million, or an average of \$122,539 per project. However, these municipalities only requested \$81.9 million in funding from BRC, or 49 percent of the projects' total costs.

There was a similar pattern among the 730 urban municipalities that submitted applications. The total funding needed to complete all projects was \$743.1 million, or an average of \$285,496 per project. The total request to BRC, however, was \$274.7 million,

or 39 percent of the funding needed to complete the projects.

As Table 3 on Page 5 shows, 56 percent of the projects in rural municipalities had total costs of less than \$50,000 and 1 percent had total costs of \$1 million or more. Among urban municipalities, about 30 percent of the projects had total costs of less than \$50,000 and 5 percent were for \$1 million or more. Table 3 also shows that, in both rural and urban areas, as total costs of the projects increase, the amounts requested from BRC decrease proportionately.

Among rural municipalities, there was a significant and positive relationship between project cost and: population, change in population, and municipal expenditures. That is, the larger the population, the greater the increase in population, and the higher the municipal expenditures, the higher the projects' total costs. This could suggest that these municipalities have the necessary administrative capacity to administer larger projects.

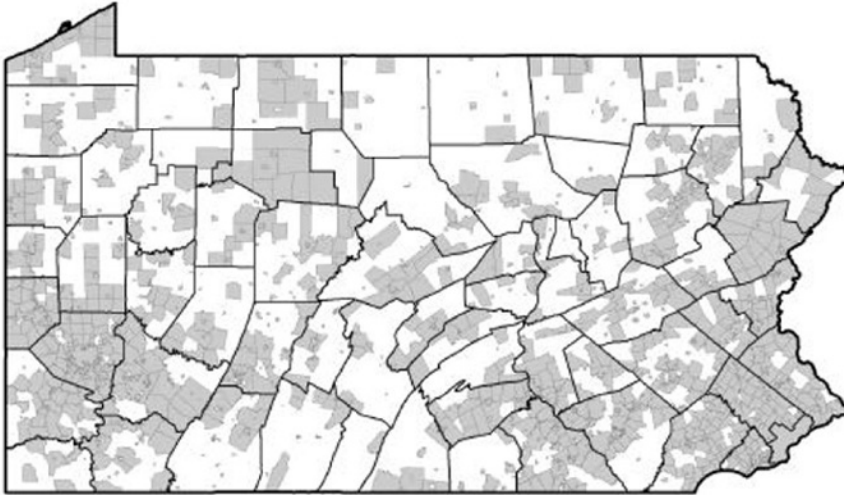
Application Approval

Of the 1,378 applications submitted by rural municipalities, 54 percent were approved for funding. Among the 2,613 applications submitted by urban municipalities, 50 percent were approved. As Table 4 on Page 5 shows, the one-time applicants had a higher approval rate than applicants that submitted multiple applications.

Among the demographic and financial indicators analyzed, there were no significant differences between rural municipalities that were approved for funding and those that were not. Among rural municipalities that submitted multiple applications, there was no significant demographic or financial difference in the percent of projects approved. The same was true for urban municipalities.

Map 1: Municipalities that Applied for BRC Funding, 1998 to 2007

(Shaded areas are municipalities that applied)



Data sources: U.S. Census Bureau and Governor's Center for Local Government Services

ties received \$36 per person and urban municipalities received \$15 per person.

Funding Awards by Program Activity

As Table 5 shows, the majority of funds in rural and urban municipalities were for development projects, such as building biking trails, installing playground equipment, and constructing skateboard ramps. Among rural municipalities, 63 percent of BRC funding was for development projects; in urban areas, 72 percent was for development projects.

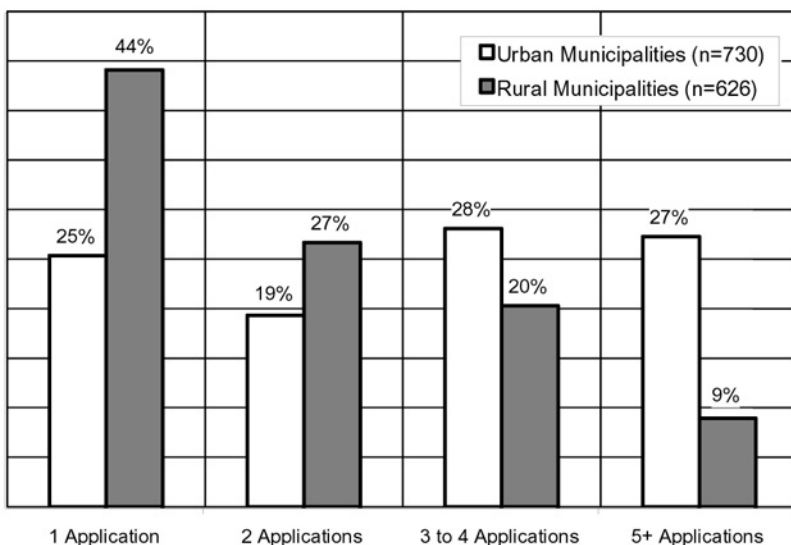
Funding Awards

The total funding for rural municipalities was \$40.5 million, or an average of \$54,588 per project. Rural projects were funded at 87 percent of the requested amount. The total funding for urban municipalities was \$116.5 million, or \$89,686 per project. Urban projects received 80 percent of the requested amount.

On a per capita basis, projects in rural municipali-

ties received nearly twice as much as rural municipalities for land acquisition projects (\$25.87 million and \$12.99 million, respectively). There was, however, only a slight difference in the number of acres acquired. Rural municipalities used the funding to acquire 5,003 acres, while urban municipalities acquired 5,186 acres. The average cost per acre among rural municipalities using BRC funding was \$2,597; the average for urban municipalities was \$4,989 per acre.

Figure 1: Number of Municipal Applications Submitted to BRC by Rural and Urban Status, 1998 to 2007



Data source: Bureau of Recreation and Conservation, Pennsylvania Department of Conservation and Natural Resources

Sources of Funding

The most frequently used funding source for rural and urban municipal projects was the Keystone Recreation, Park, and Conservation Fund. Approved by the legislature in 1993, this fund receives its revenue through a portion of the state's Reality Transfer Tax. From 1998 to 2007, the Keystone fund was used to finance 85 percent of the rural municipal projects for a total of \$31.1 million. Sixty-three percent of the funds were used for development projects. Among urban municipalities, this funding source was used to finance 82 percent of the projects for a total of \$89.7 million. Seventy-three percent of

Table 3: Number of Projects, Costs, Total Costs and Requested Funding per Project by Rural and Urban Municipality, 1998 to 2007

Range of Project Costs	# Projects	Total Cost Per Project	Funding Requested from BRC Per Project	Funding Requested as % Total Project Cost
RURAL MUNICIPALITIES				
<\$50,000	766 (56.1%)	\$26,189	\$19,071	72.8%
\$50,000 to \$99,999	247 (18.1%)	\$66,459	\$38,171	57.4%
\$100,000 to \$199,999	117 (8.6%)	\$140,246	\$69,979	49.9%
\$200,000 to \$499,999	156 (11.4%)	\$321,665	\$146,520	45.6%
\$500,000 to \$999,999	65 (4.8%)	\$679,004	\$286,473	42.2%
\$1 million+	14 (1.0%)	\$1,457,914	\$588,964	40.4%
Rural Municipal Total	1,365 (100.0%)	\$122,539	\$60,035	49.0%
URBAN MUNICIPALITIES				
<\$50,000	770 (29.6%)	\$27,168	\$16,934	62.3%
\$50,000 to \$99,999	518 (19.9%)	\$67,623	\$36,227	53.6%
\$100,000 to \$199,999	408 (15.7%)	\$141,331	\$70,477	49.9%
\$200,000 to \$499,999	504 (19.4%)	\$308,426	\$141,612	45.9%
\$500,000 to \$999,999	266 (10.2%)	\$667,256	\$269,208	40.3%
\$1 million+	134 (5.2%)	\$2,210,706	\$530,947	24.0%
Urban Municipal Total	2,600 (100.0%)	\$285,496	\$105,649	37.0%

Data source: Bureau of Recreation and Conservation, Pennsylvania Department of Conservation and Natural Resources

Table 4: Number of Applications and Percent Approved for Funding in Rural and Urban Municipalities, 1998-2007

	Rural Municipalities		Urban Municipalities	
	# Application	% Approved	# Application	% Approved
1 Application	276	64.1%	185	53.5%
2 Applications	334	59.0%	282	45.7%
3 to 4 Applications	429	49.4%	713	50.4%
5+ Applications	339	46.0%	1,433	49.7%
Total	1,378	53.8%	2,613	49.7%

Data source: Bureau of Recreation and Conservation, Pennsylvania Department of Conservation and Natural Resources

Table 5: Rural and Urban Municipal Funding Awards by Program Activity, 1998-2007

	# Funded Projected	Total Projects Funding Awards	Average Funding Award Per Project
RURAL MUNICIPALITIES			
Development Projects	529 (71.3%)	\$25,528,055	\$48,257
Acquisition Projects	98 (13.2%)	\$12,991,600	\$132,567
Planning Projects	94 (12.7%)	\$1,565,920	\$16,659
Technical Assistance Projects	21 (2.8%)	\$418,547	\$19,931
Rural Municipal Total	742 (100.0%)	\$40,504,122	\$54,588
URBAN MUNICIPALITIES			
Development Projects	852 (65.6%)	\$83,317,597	\$97,791
Acquisition Projects	155 (11.9%)	\$25,872,200	\$166,917
Planning Projects	248 (19.1%)	\$6,118,700	\$24,672
Technical Assistance Projects	44 (3.4%)	\$1,194,204	\$27,141
Urban Municipal Total	1,299 (100.0%)	\$116,502,701	\$89,686

Data source: Bureau of Recreation and Conservation, Pennsylvania Department of Conservation and Natural Resources

these funds went for development projects.

The second most frequently used funding source for rural municipalities was Growing Greener 2. Approved by voters in a 2005 bond referendum, this funding source was used by 9 percent of rural municipalities for a total of \$5.3 million. Among urban municipalities, Growing Greener 2 was used in 5 percent of the projects for total of \$6.3 million.

Conclusion

The analysis of the BRC database showed three broad patterns: first, rural municipalities applied less frequently for grants than urban municipalities; second, when they did apply, rural municipalities had a slightly higher approval rate than urban municipalities; and third, rural municipalities received, on average, less money per project than urban municipalities.

**The Center for Rural Pennsylvania
Board of Directors**

Chairman

Senator John R. Gordner

Vice Chairman

Representative Tina Pickett

Treasurer

Senator John Wozniak

Secretary

Dr. Nancy Falvo
Clarion University

Representative Tim Seip

Dr. Theodore R. Alter
Pennsylvania State University

Steve Crawford
Governor's Representative

Dr. Stephan J. Goetz
Northeast Regional Center for Rural Development

Dr. Keith T. Miller
Lock Haven University

Dr. Robert J. Pack
University of Pittsburgh

William Sturges
Governor's Representative



The Center for Rural Pennsylvania
200 North Third Street, Suite 600
Harrisburg, PA 17101
Phone: (717) 787-9555
Fax: (717) 772-3587
www.ruralpa.org
1P0908 - 200