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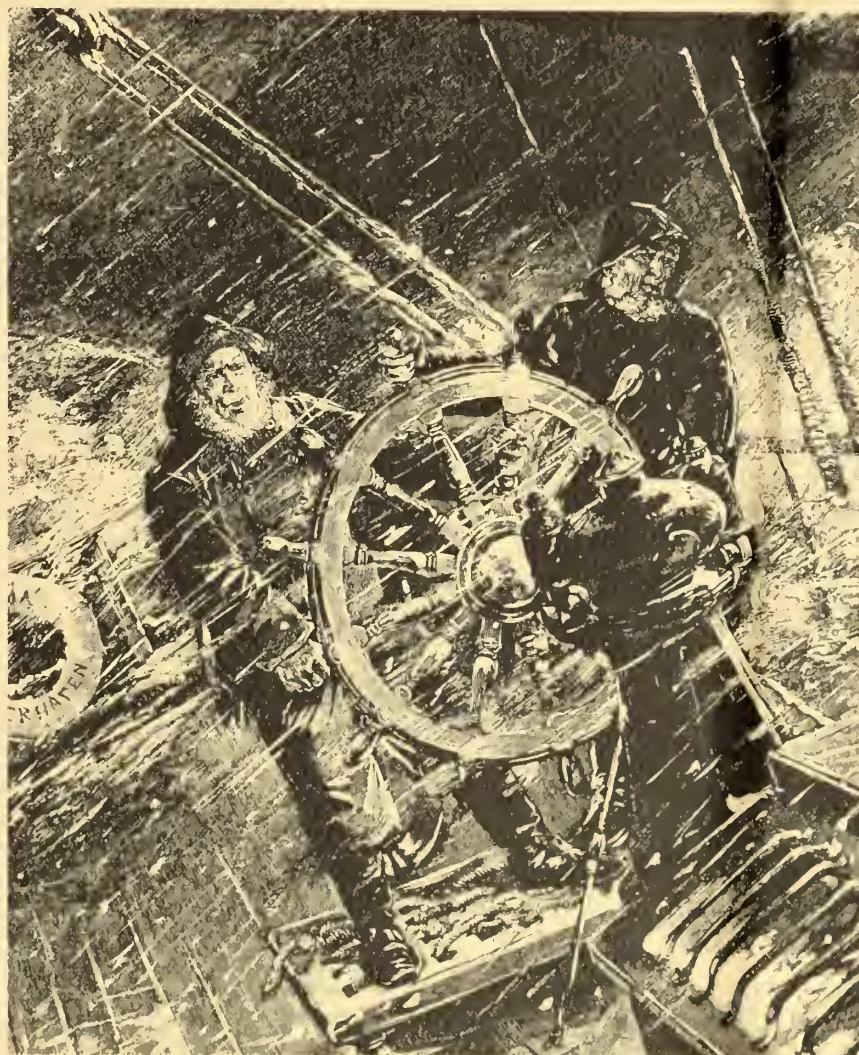
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CUTBACK MANAGEMENT

Rational Approaches To Weathering Budget Reductions
For The Park And Recreation Administrator



United States Department of the Interior
National Park Service

July 1982

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RATIONAL APPROACHES TO WEATHERING BUDGET
REDUCTIONS FOR THE PARK AND RECREATIONAL ADMINISTRATOR

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This handbook is part of a series of publications produced by the National Park Service designed to assist public and nonprofit park and recreation agencies cope with change and reduced budgets. Information on other publications in this series is available from the National Park Service, Division of Recreation Resources Development, 440 G Street, N.W., Washington, D.C. 20243, (202) 272-3730.

The Cutback Management Handbook was prepared in the Western Regional Office of NPS by a team composed of George Turnbull, Author and Team Leader; Ray Murray, Howard Levitt, Mai-Liis Bartling, Jay Goldsmith, Audrey Rabinovitz, and Ronnie Poligrates.

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Managing cutbacks requires an open mind and an entirely different way of thinking.

The "Right Stuff" For Cutback Managers

Author Tom Wolfe's book, The Right Stuff, talks about what it took to become an astronaut. Successful cutback managers also need the "right stuff". To assume the role of cutback manager is not easy. Managing cutbacks requires an open mind and an entirely different way of thinking than the mindset required by the rapid growth or relatively stable operating conditions most agencies experienced over the last two decades. Yet many are successfully making the transition into effective cutback managers and are bringing a positive approach to their new role. Here are some rules to play by:

- 1) **DON'T TAKE IT PERSONALLY.** The recent anti-government mood manifested over the last four years is not necessarily directed at you, your staff and the services you provide. People are not ungrateful for the dedication and extra hours you and your staff have invested on their behalf over the past years. Most people do appreciate good parks, recreation programs, and a healthy environment. Unfortunately, in voting tax reductions, people have no way of singling out your services for adequate funding while cutting back on other government services.
- 2) **MAKE THE DECISION TO STAY OR LEAVE.** You can't be an effective manager if you are undecided about whether to stay and guide your agency through a period of cutbacks, or leave and seek a different

job. To have the right stuff, you have to believe it's a privilege to be a public servant and especially to work in public parks and recreation. You'll need a very firm sense of commitment to the future of your agency, its mission and your staff. Only then can you be the strong, creative manager needed to weather cutback conditions.

In the aftermath of Proposition 13, the manager of a Southern California park and recreation district thought seriously about giving up his government career to try it in the private sector. One evening over dinner with a friend who worked in the private sector, the conversation got onto government excess and related issues. As the discussion grew more heated, the manager found himself defending his agency's activities and the role of government in society today. As a result of that evening, the manager realized the strength of his commitment and decided to stay and tough it out in government. He continues to be one of the most creative managers in the profession today.

In Northern California, a county park manager left government service discouraged by reduced funding, only to come back a year later because he missed the satisfaction he got from managing public park and recreation services.

Your staff will be looking to you for leadership, advocacy, guidance and reassurance. Make your decision to stay, so you can give your all to the challenges ahead. Be a believer.

- 3) **CAPITALIZE ON THE OPPORTUNITY SIDE OF CHANGE.** People's inherent tendency is to resist change. Cutback management is necessitated by abrupt change and often requires doing things differently than before. The manager can either hunker down and resist change, or seize the opportunities change offers. Once you can get past being defensive about the way you've done things in the past, you will find a new freedom to be creative and try new approaches. Problems invite solutions. Cutback conditions give you an excuse and opportunity to try new solutions. With less money for operations, there is a clear necessity to maximize efficiency and effectiveness. Cutback conditions provide the opportunity to experiment and blend the best of sound business practices together with serving basic public missions. It's important to remember that government provides most services because they could not be provided either by non-profit or for-profit private sector organizations without government subsidy. Use your creativity to reduce your dependency on tax dollar subsidies, but don't get trapped into an expectation

that you can function with zero subsidy. Above all, look for the opportunities.

- 4) **BE PROACTIVE VS. REACTIVE.** This handbook is intended to help you be proactive. As a cutback manager, you must restore certainty and sense of direction in an atmosphere of uncertainty and turmoil. If you don't take action, others will take it for you. You want to be in the driver's seat, rather than a passenger's seat, so you can set the direction you want your agency to go. Think of George Washington escaping from an untenable position at Valley Forge, galvanizing his dispirited troops and seizing the initiative by crossing the Delaware in the dead of winter and winning a victory at Trenton. By that act, he reversed the tide of the Revolutionary War. Take the initiative! You will have more control over the outcome if you take the initiative to get favorable decisions and results.
- 5) **DON'T PULL YOUR PUNCHES.** A renowned fifteenth century Samurai warrior survived over 60 sword duels in which concentration and lightning reflexes were the difference between life and death. His advice to would-be survivors was: "Think of yourself as already dead." Only if you think about what you have to do, rather than what you could lose, will you be able to aggressively manage tough cutback situations. Be bold and resolute. Take action. Don't hold back -- it could be fatal.

6) **RELISH THE STIMULATION OF CHALLENGE.** You should realize that few battles are ever over. There are no final victories. People's ideas, needs, and priorities continually change. Successful managers seem to continually renew themselves as they devise strategies and actions to solve problems and cope with challenges. As a manager, you are a player in a game that will last your entire career. Most managers successfully dealing with cutbacks find it a rarified and stimulating time in their career. They are challenged as never before and enjoy the opportunity to put all their skills and creativity to the test. This stimulation has enabled them to successfully cope with many trying and wrenching situations in order to chart a new course for their agency.

7) **CONTINUE TO PROVIDE SERVICE TO PEOPLE.** Your reason for existence is largely to service people and show results for the dollars allocated to your operations. You can't continue to justify your operations if you close down your services or go into suspended animation. A sound strategy is to keep parks and facilities open and programs functional to continue to serve the public. You may need to alter hours, staff levels, fees and how the service is provided. But provide service! Serving the public cost effectively will be the best grounds for making your

case for continued budgetary and political support.

8) **STAFF IS EVERYTHING.** It is impossible to anticipate the full impact that the uncertainty and turmoil of cutback conditions will have on staff morale and productivity. Rumors and realities will take their toll. People will feel their careers and livelihood, and consequently every other facet of their life, threatened. You must realize what your staff is going through. They are your most critical resource. In a labor intensive government service, such as parks and recreation, staff is everything. Part of your job as cutback manager is to bring as much certainty and fairness as possible to a situation that may be both uncertain and unfair. Control what you can. Involve your staff at every point. Capitalize on their creativity in seeking solutions to the problems you face. You and your staff will need to find ways to work smarter since most staff are already working as hard as they can. Keep staff informed, busy and directed. You will need to pay attention to providing positive motivation. One of the strengths of the human race is the ability to rise to and surmount even the most difficult challenges. You and your staff can do it -- if you have the right stuff!



The need for rational approaches to making budget reductions is of particular urgency to the park and recreation agency.

Where To Start

THE CONTEXT FOR CUTBACK MANAGEMENT

A British Admiral at the battle of Jutland, watching his great battle cruisers roll over and sink, one after another, turned to his aide and said, "There seems to be something wrong with our bloody ships." Over the last thirty years, park and recreation administrators made decisions for meeting recreation needs in an environment of growth and expansion. These conditions have changed in recent years; the new watchwords for administrators are "scarcity", "decline", and "retrenchment".

Additionally, the public's expectations of what local government could and should provide heightened during the past era of growth. Ironically, along with highly diminished opportunities for federal aid, the park and recreation manager today faces the heightened demand of a growing constituency. This situation creates the need for new political and administrative responses. These responses must be reconciled with new realities:

- * The dilemma of reduced resources and increased demand for services is relatively permanent. Difficult decisions will have to be made up front and will become more difficult later.
- * Consensus will be more difficult to attain in a situation where someone must lose, increasing the possibility of conflict.

- * Every public expenditure will be questioned. Ways must be sought to ensure and demonstrate that each dollar is being spent wisely.
- * Uncertainty caused by budget cutbacks can minimize risk-taking and creativity. Ways to create an environment of flexibility and innovation must be found in a cutback setting.

We are entering a period of resource scarcity where the park and recreation manager must stretch limited dollars to cover increasingly expensive programs and services. The test will be particularly tough for park and recreation managers. Experience shows that budget cuts fall more heavily on park and recreation departments relative to other "essential services" (such as fire and police services).

This handbook is designed to help the park and recreation manager in mapping out a strategy for responding to budget cutbacks. The handbook highlights:

- * How to systematically assess park and recreation cutback options
- * How to establish reduction priorities
- * Approaches to communicating with all affected parties in making cutbacks
- * How to address personnel/morale considerations involved in the cutback decision

Cutback Management: The Definition and the Obstacles

Cutback management is the set of administrative/political processes used to manage organizational change toward lower levels of resource consumption and organizational activity. The need for rational approaches to making budget reductions is of particular urgency to the park and recreation agency. In many parts of the country, public recreation providers have already been hard hit by budget reductions. Some examples:

- * Massachusetts's Proposition 2 1/2 forced the Boston Park and Recreation Department's budget to be cut by 60 percent for fiscal year 1981-82. One-half of the department's 414 employees were laid off.
- * After Proposition 13, the Richmond, California, Park and Recreation Department budget was cut from \$2.4 million in 1977-78 to \$1.2 million in 1978-79.
- * Proposition 13 reduced the Livermore Area, California, Recreation and Park District budget from \$2.4 million in 1977-1978 to \$1.6 million in 1978-1979.
- * Since 1975, the City of Bridgeport, Connecticut's Park and Recreation Department budget has been held the same. The effects of inflation have led the number of staff positions to be reduced from 250 to 85.

- * Due to declining tax receipts from the ailing automobile industry, the Flint, Michigan, Park and Recreation Department faces a 34 percent reduction in its fiscal year 1981 budget.

In each of the above examples (as well as in less severe circumstances), hard decisions must be made on how the organization will live within its more modest means.

The outcome of cutback decisions has major implications for the people manager. The manager must recognize and deal with a number of obstacles:

- * Professional norms and standards (i.e., civil service requirement, legislative mandates) constrain the cutback manager.
- * Uncertainty, diminished job security, and reduced upward mobility create staff morale problems.
- * Better opportunities in the private sector invite the best employees to leave (particularly in job classes in high demand such as accountants, engineers and computer specialists).
- * Limited funding increases conflict among divisions within the agency (i.e., parks division vs. recreation divisions).
- * Declining appeal of public sector employment (i.e. less job security, lower salaries) makes it harder to attract and recruit new talent.

- * Job enlargement (the same or an increased workload and fewer staff) can lead to morale or "job burnout" problems.
- * Uncertainty can reduce the manager's willingness to take risks or innovate.
- * Salary freezes or rollbacks worsen morale problems.
- * Budget cutbacks often lead to increased union activity.
- * Those least able to find new jobs are often fired first. Many times the cutback decision works against equal employment opportunity goals.

Why Manage Cuts: The Opportunities

In the Chinese language, weji is a combination of two characters, one meaning "danger" and the second "opportunity"; used together, they express the meaning "crisis." Cutback management need not be synonymous with crisis management. Most park and recreation agencies already have the resources they need (i.e., current management systems, staff knowledge of programs, user preference information) available to make budget reductions in an orderly and rational way. Agency management must pull this available information together into a cohesive package that can be used in making sound cutback decisions. This is the key to managing cuts.

Solid and credible data will assist the cutback manager faced with such difficult decisions as who gets fired, which programs



Cutback management need not be synonymous with crisis management.

are eliminated, and which users will be asked to make sacrifices. The same information can also assist the cutback manager to spot new opportunities and to actually rethink the way services are delivered. Today's park and recreation manager has the chance to:

- * Make the organization more self-sufficient and resistant to decline. The image of park and recreation as a "free service" can be changed, substituting a more business-like attitude towards recreation service delivery.

- * Tap community resources to meet day-to-day park agency needs.
- * Improve organizational productivity, particularly in the areas of staffing and equipment use.
- * Review recreation programming and its beneficiaries to better target services to users and reduce under-attended or outdated programs.

ARE YOU HEADED FOR CUTS? CLUES. . .

As Samuel Johnson said, "Depend upon it, when a man knows he is to be hanged in a fortnight, it concentrates his mind wonderfully."

The lag time between recognizing the potential for revenue reductions and implementing cuts varies widely. This difference relates to the variety of actions which create the cutback situation. These might include:

1. Ballot initiatives (such as California's Proposition 13 or Massachusetts's Proposition 2 1/2). These proposals (both local and state), which usually specify funding sources to be cut as well as the relative magnitude of the cut, allow the manager some lead time in preparing for cuts. Well thought-out strategies can be developed to deal with revenue reductions.

2. Reductions in local revenue sources. Economic conditions beyond the control of the park and recreation manager can lead to circumstances where primary funding sources dry up. A city dependent on an industry for tax receipts may find itself over a fiscal barrel if the industry relocates or suffers from slack production demands. These circumstances usually allow the manager enough time to develop a well considered package of budget reductions.

3. Changes in political priorities which affect park and recreation funding levels. City Council's/Board of Supervisor's priorities can turn against park and recreation funding even in times of relative prosperity. The manager may be forced to make cutback choices without adequate lead time to pull together all desirable information.

4. Creeping inflation. Even though the Park and Recreation Department may receive the same level of funding as in previous years, inflation reduces the purchasing power of the funds. Inflation in real terms creates a cutback situation. The manager has adequate lead time to consider its implications for service delivery since inflation is a chronic condition.

As soon as cutbacks appear likely for your agency, you should begin the task of examining options. And, it is best to anticipate and prepare for the worst case.

SOME GROUND RULES FOR THE CUTBACK PROCESS

Allow Participation

Communicate with agency staff, the elected governing body, and citizens of the community throughout the cutback process. Involvement of these groups at each stage helps insure that the ultimate product of the cutback process is well-considered and workable.

- * Keep lines of communication with agency staff open. Staffers are the program "experts". They can help identify the most logical functions to be cut. Communication will also minimize morale problems.

- * Keep elected governing officials apprised of the cutback process. They have the final authority to approve/disapprove the package of budget reductions. Their special concerns and interests should be identified at the front-end of the process.
- * Allow citizen participation in the cutback process. Their tax dollars fund programs and they are the ultimate beneficiary of park and recreation programs. Interested citizens should have the opportunity to indicate which functions are most and least important.



Keep elected officials apprised of the cutback process.

Understand The Impact On Clients

Some budget reductions reduce service levels; some do not. Service level reductions eliminate a segment of a service without replacing it (e.g. closing a recreation center or discontinuing maintenance). Non-service level reductions cut public support for a service without reducing the actual availability of that service (e.g. finding a community-based organization to manage a recreation center rather than closing the facility).

Impact on users can be minimized throughout the cutback process by first taking steps to cut service costs.

Be Aware Of False Economies, Both Now And Over Time

In many cases, a cutback option which has no immediate negative impacts may, over time, carry serious consequences (e.g. deferring maintenance may save dollars now, but the maintenance backlog will eventually result in increased costs).

Failing to invest in the staff training or new equipment needed to improve or maintain productivity is also a false economy. Front-end costs must be evaluated against long term savings.

Consider, too, the indirect impacts of a cutback decision. Will the savings produced by cutting night lighting of parks be offset by increased vandalism costs?

Be Aware Of Impacts On Other Agencies

Cutback decisions may also unwittingly affect the ability of other public organizations to provide services (e.g. decisions by school districts to close facilities adversely affect park and recreation services at those sites).

With these ground rules in mind the park and recreation manager can now begin to look at cutback possibilities.

A CUTBACK PROCESS

Discussions with park and recreation managers nationwide reveal that there is no single cutback process. The shape of each jurisdiction's cutback process must be tied to local conditions and the structure of the agency, such as functions under the park and recreation department, nature of client and political support, and the severity and type of reductions contemplated. However, certain steps are common to most park and recreation cutback processes:

- * Do an agency mission analysis;
- * Review cutback options that can reduce budgetary obligations without reducing services provided to clients;
- * Review cutback options which reduce services provided to clients;

- * Establish cutback priorities;
- * Implement the reduction and carry on.

Ensuing chapters provide an in-depth discussion of each step. (See Table 1.) These steps outline a rational process for making cuts, as well as a thinking process for getting the most from whatever level of funding the agency receives. Getting the most from each dollar spent should be the standard operating mode.

MISSION ANALYSIS; WHERE IS THE ORGANIZATION GOING?

Before initiating cutback procedures, your organization should embark on a process of

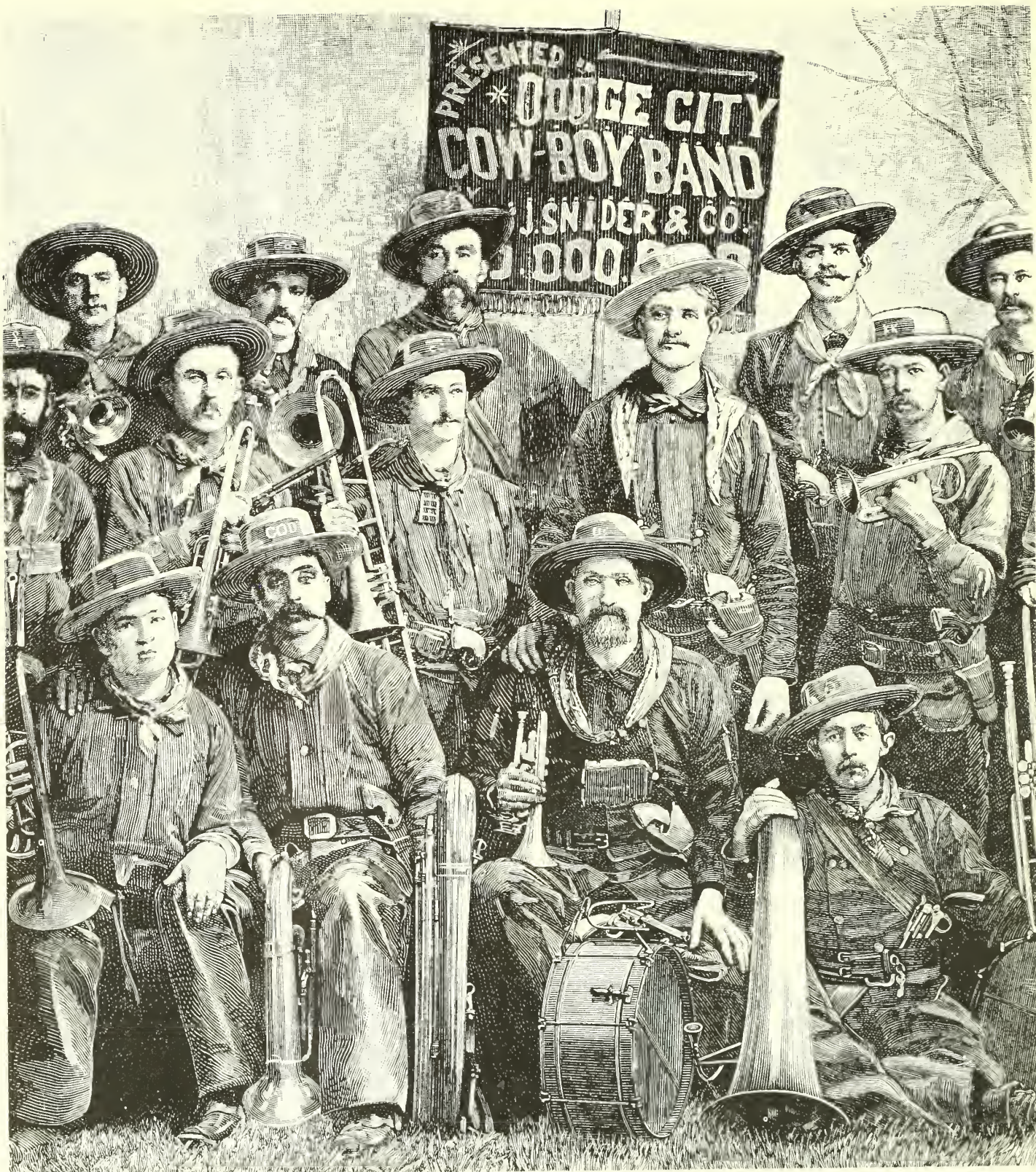
self-examination. The manager, with staff assistance, should identify the future role of the park and recreation agency in the community. Ask the following questions:

1. Why is the agency in business and what is it's mission?
2. What are the specific programs and plans for carrying out the mission?
3. How will current and anticipated future resources be allocated toward these?

The answers to these questions provide the basic framework from which all cutback decisions should flow. The Mission Statement is a blueprint to follow in establishing a new equilibrium position for the organization at a smaller size.



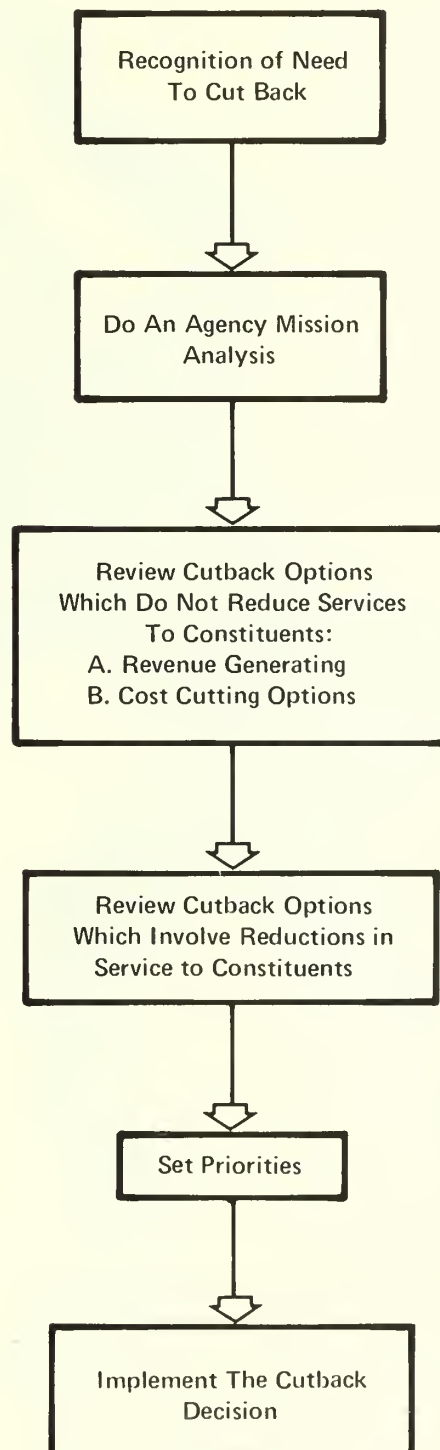
There is no single cutback process.



Before initiating cutback procedures, your organization should embark on a process of self-examination.

Table I.

A MODEL CUTBACK MANAGEMENT PROCESS





*Based upon the path the agency has chosen,
the manager is ready to review cutback options.*

Explore The Options

AN OVERVIEW OF THE OPTIONS

Eased upon the future path the park and recreation agency has chosen through its Mission Analysis, the manager is ready to review cutback options. The type of options considered should relate to the anticipated size of the budget cut based on realistic "worst case" budget estimates. The options fall into three categories:

1. Revenue Generating Options;
2. Cost Cutting Options;
3. Service Reduction Options.

Revenue generating options should be considered first. Increases in available revenue reduce the need to make hard service cuts. Cost cutting options should be looked at next (along with options which streamline functions or shift responsibilities without reductions in service levels). If the manager goes through these two filters and finds there is still a revenue shortfall, consideration of hard service reductions should begin. This chapter will offer a detailed discussion of each set of cutback options.

CUTBACK OPTIONS WHICH DO NOT REDUCE SERVICES TO CONSTITUENTS

Revenue generating and cost cutting options reduce public tax support for parks and recreation without reducing the actual availability of the service. The manager should begin to gather information on these options. The first step in assembling

necessary information is to answer the following questions. These questions involve taking a hard look at what services the agency provides, what other community resources might be tapped, and whether services can be provided with fewer agency resources. Use the responses to begin reviewing ways to cut resource consumption with the least impact on clients:

What Activities Are Mandated Or Required By Law?

Identify those services which cannot be cut because performance of the function is mandatory. All Federal and State aid programs in which the park and recreation agency participates should be examined to identify mandated activities.

What Services Won't Be Missed By Constituents?

Scrutinize programs that have declined in community support or have a narrow constituency. Activities which have outlived their usefulness or not lived up to expectations are likely candidates for reductions. Direct your scrutiny at both recreation programming and maintenance.

Where Can You Consider Other Potential Service Providers and Alternative Roles For Your Own Agency?

Rethink "who provides what." Look at which services can be provided by other entities.

Analyze which functions could be:

- * Contracted out to the private sector at a lower cost without service level decline;
- * Taken over by community-based organizations;
- * Consolidated with duplicate services provided by other departments and paid for from other funding sources.

Where and How Can You Attain Greater Efficiency?

Review ways to improve organizational productivity. Look for ways to:

- * better plan and schedule tasks;
- * better train and motivate staff;
- * substitute capital for labor.

In summary, find out how limited staff time can accomplish more.

Where Can You Use Low Or No Cost Labor?

Reconsider staff functions. Personnel costs represent 60-80 percent of the park and recreation department budget. Find ways to reduce personnel costs including:

- * Greater use of volunteers and student interns;
- * Reclassification and downgrading positions;
- * Greater reliance on temporary help;
- * Borrowing private sector managerial expertise.

Where Can You Install and Improve Methods For Making Effective Decisions?

When appropriate, install decision-making tools or management systems that provide the kind of information necessary to make better decisions (e.g. revenue and expenditure forecasting systems, and budget systems which track direct and indirect costs closely).

Where Can You Find New or Additional Dollars?

Assess the revenue-generating potential for each program before making cuts. Continue programs which have the ability to support themselves over time through fees and charges. Recreation programs that can sustain themselves have a better chance of surviving. Fees and charges make a program more self-supporting and can be used to regulate "over-full" or excess demand for services.

Look at the potential for public/private revenue generating enterprises on park sites. Utilize private capital and expertise to develop and operate facilities, from which the park department can receive a certain percentage of revenues through contractual agreements. Consider ways to expand the yield from current concessionaire agreements. Review the feasibility of tapping private sector resources (through monetary and real property donations) or philanthropic organizations to provide full or partial support for providing specific services.

Where Can You Better Manage Energy, Water and Other Key Resources?

Rethink all recurring costs. Do not accept any recurring costs as "fixed". Small changes in the way business is done can substantially cut the costs of energy, water, and chemicals. Look closely for operational changes that require no capital investment (e.g. changing irrigation schedules) yet produce savings. Review changes that can be made in existing facilities that require only a small investment (for example, installing automatic timers on lighting systems).



Rethink all recurring costs.

REVENUE-GENERATING OPTIONS

Responding to the previous set of questions gives the manager ideas on ways to expand the department's revenue base. The next step is to do a more "in-depth" analysis of each potential revenue-raising strategy. The following general considerations should be taken into account in deciding which options deserve attention:

- * How extensive is the current fees and charges program?
- * What is the extent of current public/private revenue-generating enterprises?
- * How active is the citizenry related to parks and recreation?
- * Does the jurisdiction have the ability and expertise to develop and expand upon revenue generation schemes in time to address immediate fiscal shortfalls?

The following table provides a detailed description of how the department might augment its revenue base, and where to get additional assistance:

Table II. REVENUE GENERATING OPTIONS

REVENUE- GENERATING OPTIONS	DESCRIPTION	EXAMPLE
Establish a "Friends Of The Parks" Foundation	A Foundation can relieve the burden on tax dollars by seeking private funding and providing support for public agency programs. Individuals are more willing to make donations to private foundations than to public agencies. Private donors encounter less "red-tape" in making contributions to private organizations.	<p>The Park Friends organization of Tulsa, Oklahoma, has to date attracted over \$200,000 in cash and in-kind donations.</p> <p>Pasadena, California, created a Recreation and Park Foundation. Individuals and corporations have made \$120,000 in tax-deductible donations earmarked to specific projects.</p>
Review User Fees	<p>A well-managed fee policy can help the agency project an image of fiscal responsibility and cover the costs of continuing programs which might otherwise be cut.</p> <p>Review the following categories for fee increases:</p> <ul style="list-style-type: none"> * Across the board increases * Special facility usage/ building rental * League sports * Adult classes and sports * Nonresidents * Utilities * Clean-up fees * Ball field preparation * Administrative surcharge 	<p>El Cerrito, California, recreation programs have become 90 percent self-sufficient after Proposition 13 through fees. In fiscal year 1979, fees generated \$375,000 out of a recreation budget of \$397,000.</p> <p>Long Beach, California's Recreation Department has a goal of self-sufficiency. Under the department's Management-by-Objectives (MBO) system, the performance measure for each activity is program self-sufficient percentage. In 1976, \$80,000 of the budget was</p>

**REVENUE-
GENERATING
OPTIONS**

DESCRIPTION

EXAMPLE

- * "Handling" charge for class or program cancellation
- * Reservations
- * Permits
- * Supply fees
- * Equipment rental
- * Parking
- * Picnic area usage
- * Dog entrance fee
- * Trips/events
- * Annual fees

self-generated. In 1980, through an aggressive expansion of the number of fee-supported programs, \$1 million or 40 percent of the budget was self-generated.

**Look for
Ways to
Expand
Concession
Revenues And
Enter Into
Other Public/
Private
Revenue-
Generating
Enterprises**

Where consistent with park values, program goals, and interpretive themes, look at potentials for authorizing private individuals and organizations to sell merchandise or provide services on public properties. The flat sum, or percentage of gross receipts and ground rent, guaranteed by the private enterprise can help the park and recreation agency make other programs more self-sufficient. This may be the only option for capital improvements to expand needed park facilities. The manager should make sure that enterprise accounts can be set up to funnel generated revenue into park and recreation agency activities rather than return it to the city general fund.

Following passage of Proposition 13 (and the loss of \$9.8 million in property tax revenue), East Bay Regional Park District, California, did a comprehensive assessment of potential new concession opportunities. Ideas for expanded concessions which are being pursued include private operation of equestrian facilities, a marina on San Francisco Bay, more snack stands, a restaurant on park land, a new waterslide, and privately managed campgrounds.

Sonoma County, California, completed a feasibility study of public/private enterprise options with an eye towards self-sufficiency. Under consideration are restaurants on coastal park sites, using bedroom taxes to aggressively market the County as a convention site in trade journals, and adapting public structures/auditoriums for more special events and conventions.

REVENUE- GENERATING OPTIONS

Develop a Gifts Catalog

DESCRIPTION

A Gifts Catalog is a brochure, booklet or portfolio which illustrates, describes, itemizes, and prices specific agency needs. Cash, materials, equipment, or services can be given to the community for a specific project which the donor wishes to support.

EXAMPLE

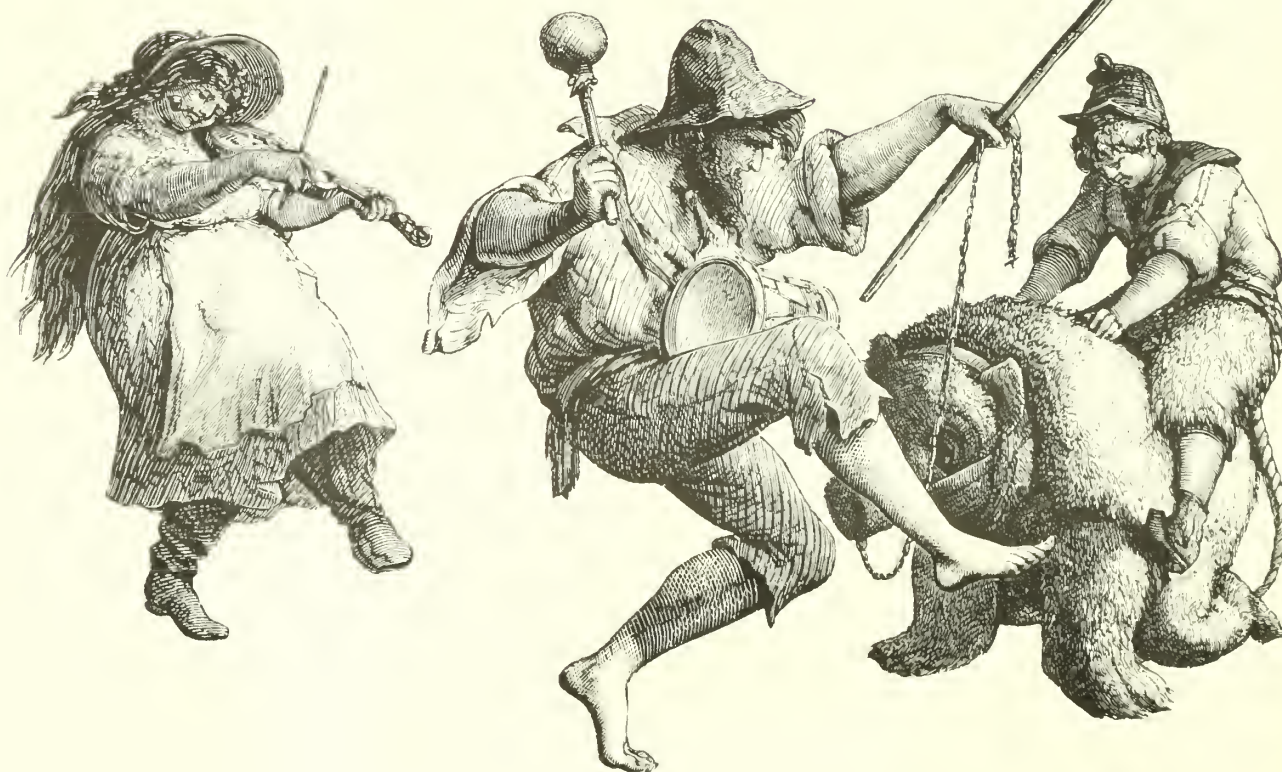
Houston, Texas's highly successful "Green Pages Catalog" netted roughly \$250,000 in its first year from an initial investment of \$10,000 (including mailing and promotion costs).

Boston, Massachusetts, developed a gifts catalog entitled the "Liberty Plant-Tree" program which brought in \$150,000 at little expense to the city.

Look For Ways To Involve Corpora- tions in the Provision Of Park And Recrea- tion Services

Corporations or businesses within the community gain favorable publicity, enhanced employee recreation opportunities, and tax benefits from providing monetary and material support to the park and recreation department. A well-conceived effort to solicit corporate donations often has tremendous payoffs.

In Philadelphia, Pennsylvania corporations, pulled together to support a program called "Better Break." Corporations have reduced their income tax burden by funding the operation of recreation facilities for youth in inner-city areas through the program.



COST-CUTTING OPTIONS

Responses to the nine questions listed at the beginning of this chapter indicated ways the manager might reduce the cost of providing park and recreation services without reducing services provided to clients. A comprehensive review of the most feasible options should now take place. In deciding which cost-cutting measures to pursue, consider the following points:

- * The payback period for each cost-cutting option varies significantly. Some of the options produce immediate cost-savings, others produce cost-savings over a period of years.
- * Options such as contracting with the private sector or community-based organizations can create staff morale and union problems. These options can be perceived as eliminating positions previously filled by city staff.
- * Implementing some of the cost-cutting strategies will not automatically end all agency staff commitment. Supervising and monitoring functions will have to continue (e.g. contracts need monitoring by the agency).
- * The quality of services provided will vary under some of the cost-cutting arrangements. Volunteers or community groups may not be able to provide the same quality of services that full-time paid staff might.

There are a number of ways to organize a department-wide cost-cutting program which will identify and sift through the variety of cost-cutting ideas. For example:

- * Create a cost-cutting task force. San Jose, California, initiated a task force to look for ways to reduce costs and increase efficiency in city government in early 1980. Private sector management personnel participated along with city department representatives. The task force looked at three areas of city operations for cost-savings: contractual services, personnel, and vehicle maintenance. As of late 1980, the task force had recommended improvements to city operations which would cost roughly \$195,000 to implement, while saving the city approximately \$3.5 million.
- * Make salary increases for staff contingent on achieving cost-cutting performance targets. In Santa Barbara, California, city department managers receive full cost-of-living salary adjustments only if they meet their performance targets. These are negotiated between the city and its management staff and take the form of a contract. These performance targets typically include items such as reducing water or electricity usage. The results of the program include better and more responsive service.

Table III. COST-CUTTING OPTIONS

COST-CUTTING OPTIONS

DESCRIPTION

EXAMPLE

Contracting With The Private Sector

Due to lower personnel costs, fewer regulations, greater flexibility and economies of scale, the private sector can often deliver services at lower comparable cost than the public sector. Park and recreation departments have found that contracting produces cost-savings for certain maintenance activities and recreation functions. Keep in mind that contracting has certain limitations: staff morale problems can result if contract labor appears to replace city staff, quality control problems can arise, plus staff time commitment doesn't end - the contract must still be monitored.

The city of Rancho Palos Verdes, California, pays \$1,000 per acre per year for contract maintenance, compared to \$3,400 for city crewmen to do the work.

The city of Hawaiian Gardens, California, reports contract building maintenance cost at \$12,000 versus \$26,000 using city forces.

Contract With Community- Based Organiza- tions

There are often citizen groups within the community that are capable of providing services at lower cost than the park and recreation department. In the face of budget cuts, numerous cities are turning over functions to community-based organizations which have an established funding source (exclusive of government support) and which have the capability to provide maintenance support and ongoing recreation programs. The strategy cuts costs to the public agency without concomitant service reductions. This method has the same drawbacks as mentioned above under contracting with the private sector. These can be avoided by careful selection of the community-based organization to be contracted with.

Bridgeport, Connecticut contracts with citizen groups to maintain parks. A park is turned over to these organizations for a lease fee of \$1 per year.

Akron, Ohio contracts with neighborhood baseball organizations during the season to maintain ball diamonds (at a substantial cost-saving to the recreation department).

**COST-CUTTING
OPTIONS****DESCRIPTION****EXAMPLE****Utilize Low
Or No Cost
Labor**

Many functions currently staffed by full-time permanent employees can be provided, or supplemented, by low or no cost labor. Park and recreation departments are increasingly being forced to utilize students and temporary employees without significant service reductions.

Between 1975 and 1981, San Diego, California, lost 233 positions from its park and recreation department (in 1975, there were 881 positions, in 1981 there were 648 positions). The City has partially offset service reductions by utilizing the equivalent of 100 years of volunteer support annually.

Hayward Area Recreation Department, California, now fills staffing gaps during peak hours with temporary employees. This district saves roughly 20 percent of salary expense costs over hiring a permanent employee since benefits are not paid to temporary employees.

**Look At
Ways to
Eliminate
Overlaps in
Service De-
livery With
Quasi-Public
Organizations
and Other
Public
Agencies**

Many services are provided in duplication by different entities. Revenue reductions offer the opportunity for the agency to rethink its role as service provider and to look at what recreation services it provides in relation to others. Elimination of both internal and external overlap produces substantial dollar savings as well as projecting an image of fiscal austerity.

A large number of jurisdictions nationwide have combined park and recreation functions with similar social service functions to create all-encompassing Human Service Departments (Garden Grove, California; New Rochelle, New York; New Castle, Delaware). One rationale for creating a Human Service Department is that it eliminates duplications of support services among like functions and cuts costs.

Bellflower, California, convenes meetings with local recreation providers three times a year to identify and eliminate overlaps in program offerings.

**COST-CUTTING
OPTIONS****DESCRIPTION****EXAMPLE****Look For
Ways to
Reduce
Energy Costs**

Energy costs are an area of the park and recreation budget where costs can be cut immediately with a minimal investment. Cost savings can be generated in the following areas: saving vehicle fuel, saving on heating and air conditioning, reduce lighting needs, designing structures to utilize natural conditions which reduce heating or cooling needs (building orientation in relation to the sun, utilizing prevailing breezes for ventilation).

Many jurisdictions nationwide are allowing local utility companies to perform energy audits to identify ways to cut energy usage and to find heat loss. An audit of heat loss from Palisades Interstate Park Commission, New York identified 50 percent loss of energy from structures. The local utility made suggestions on how to insulate and what materials to use. The result: substantial savings on energy bills.

Pleasant Hill, California Recreation and Park Department installed an electronic energy watchdog at the town's community center. The "watchdog", which cost \$6,950 is programmed daily with power requirements for each room, automatically supplying power/heat/cooling only to those areas scheduled to be occupied. At today's utility rates the device saves over \$3,400 annually and will pay for itself in two years.

**COST-CUTTING
OPTIONS****DESCRIPTION****EXAMPLE****Review
Risk
Management
Requirements**

Reductions in risk management can produce quick cost savings. The cost of liability insurance is directly related to the number and severity of exposures. By adapting a systematic loss control program, the jurisdiction can reduce exposures and cut liability insurance costs. Elements of a loss control program include:

1. Identification and analysis of all loss exposures;
2. establishment of a regular, documented risk inspection program;
3. Establishment of strict written guidelines for the conduct of program activities;
4. Transfer of risk costs to participants.

Other ways to reduce risk management costs include jurisdictions insuring themselves or pooling liability insurance programs with nearby jurisdictions.

The Livermore Area Recreation District, California, reduced liability insurance coverage after the passage of Proposition 13 from \$5 million to \$1 million. This reduced insurance coverage expenses from \$151,120 in fiscal year 1977/78 to \$75,160 in fiscal year 1978/79.



SERVICE REDUCTION OPTIONS

The manager has reviewed revenue-raising and cost-cutting options which might offset hard budget reductions. If these options cannot eliminate the budget deficit, the manager must begin considering cuts which will reduce the level of service provided to clients. This involves taking a hard look at every program or cost item in the park and recreation budget and determining the impacts of cuts in each program area. This analysis provides a body of information to draw upon when making decisions on program priorities.

Service reduction cutbacks affect:

- * Personnel
- * Recreation Programming
- * Maintenance
- * Capital Programming

Options for each category of cutbacks are described in Table IV, along with their advantages and disadvantages. Answering the following questions for each option will help in assessing its feasibility:

Will There Be Down-The-Road Costs?

The impacts of budget cuts often vary significantly over time. Look at the implications of the cutback decision from both a short-term and long-term perspective. For example, reductions in expenditures for preventive park maintenance produce short-term cost savings with no immediate service

impacts. However, the long-term costs of deferred preventive maintenance increase dramatically over time, adding to the long-term maintenance burden and ultimately reducing services.

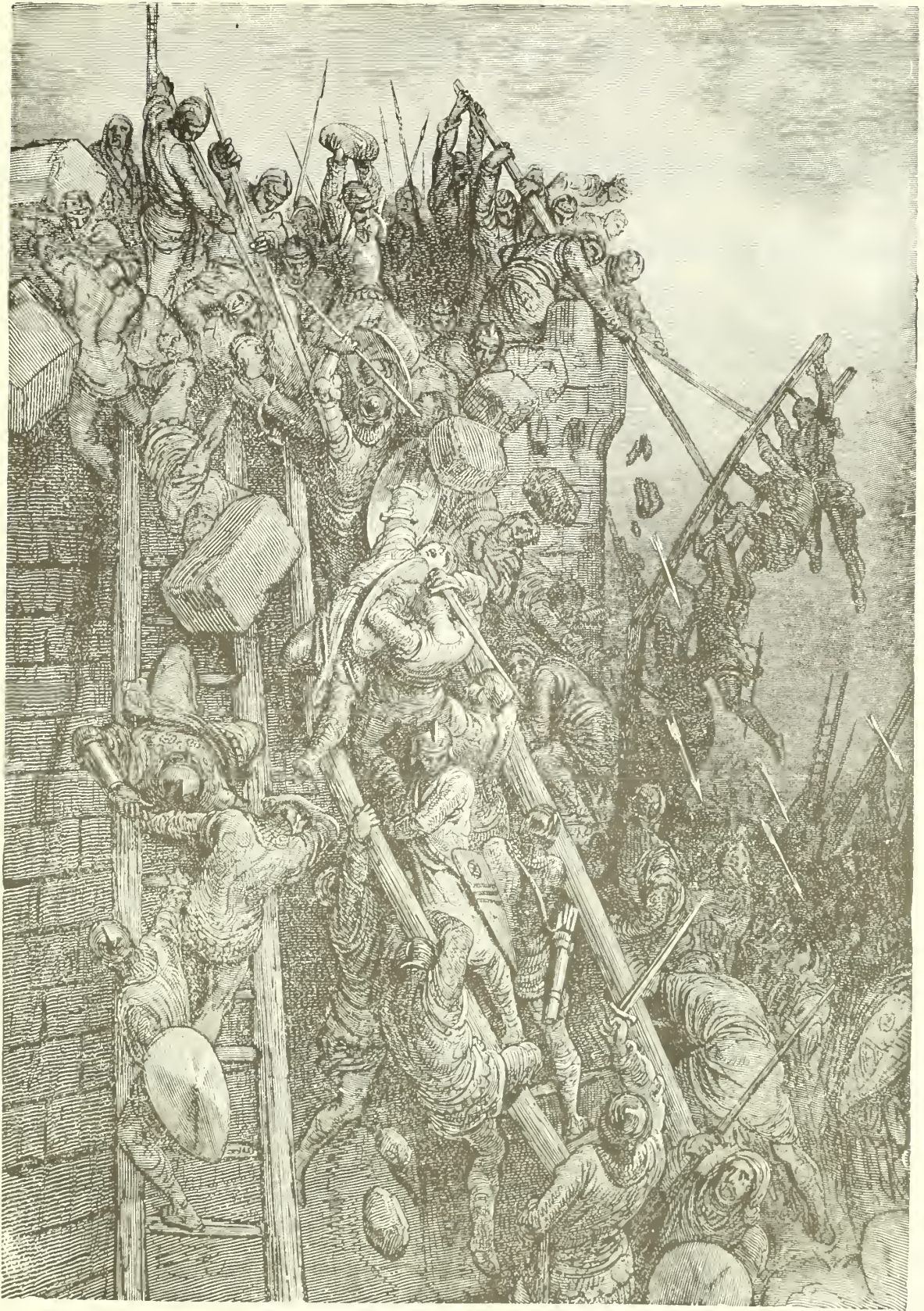
Is The Savings Worth The Effort?

To a certain extent the size of the budget category dictates the magnitude of savings which can be made in that area. Although all areas of the budget should be scrutinized for potential savings, the magnitude of savings relative to the effort required to make cuts should be considered. For example, significant savings are more likely to be made through personnel reductions as opposed to cutting liability insurance coverage. Consider the scale or size of a function to determine:

- * feasibility of cuts in the area;
- * the significance of the cut in achieving the needed reduction.

Is The Option Politically Feasible?

Consider the political implications of each service reduction strategy; ask if the service reduction is "doable" given the existing political climate. Identify constituents/supporters of each program and review their ability to influence decisions.



Consider the political implications of each service reduction strategy.

Table IV. SERVICE REDUCTION OPTIONS

OPTION	DESCRIPTION
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PERSONNEL:

LAYOFFS
BY SENIORITY

Layoffs are used extensively as a cost-saving option. The benefits of the approach are easy to measure in that the salary and benefits of each person laid off can be counted as a cost saving. Procedures for layoffs are usually negotiated by public employee unions. For most jurisdictions, the procedures are outlined in personnel rules and regulations. The prudent park and recreation manager should become intimately familiar with these rules and regulations. The content of layoff MOU's varies widely from jurisdiction to jurisdiction, but most of these negotiated documents use seniority within job classification as the most important criterion for job layoffs. The reason: seniority protection provides secure career-long employment to civil servants.

LAYOFFS
BY PRODUCTIVITY

Unit and individual productivity or performance may also form the basis for layoffs. The use of this approach is simplified by the existence of a performance measurement/appraisal system within the agency. In the absence of such a system, consider performance factors such as clients served, effort expended, need for the function, and relationship of the function to the organization's mission. Above all, the use of productivity factors for layoffs should be based on a rational and defensible system that is quantified whenever possible.

ADVANTAGES OF OPTION

DISADVANTAGES OF OPTION

1. Layoffs by seniority produce clear cost savings in salaries and expenses.
2. The layoff decision is objective. People are retained by a number (length of service), rather than an evaluation.
3. Layoffs by seniority conform to the policies of most public agencies. The established precedent makes layoffs by seniority inherently "fair".

1. Seniority restricted layoffs place the cutback decision out of the manager's control. Cuts can be spread unevenly throughout the agency and can damage organizational productivity by falling too heavily in an essential function or too lightly in another.
2. Retraining replacements to staff decimated units costs money.
3. The threat of layoffs can result in lower productivity due to morale problems and uncertainty.
4. Individuals laid off under seniority criterion are often the most talented and energetic employees.
5. Layoffs often require greater administrative efforts and costs than other personnel reduction techniques.
6. Seniority layoffs sometimes oppose equal employment opportunity goals. Women and minorities are generally hurt most by the "last in - first out" approach.

1. Layoffs by productivity produce clear cost savings in salaries and expenses.
2. Allows for reductions in those areas which can most readily sustain cuts, based on past performance.
3. Cuts can be designed to produce the least impact on important client groups.

1. Cuts based on productivity factors can be challenged as arbitrary without quantifiable criteria.
2. The threat of layoffs can result in lower productivity due to morale problems and uncertainty.
3. Layoffs often require greater administrative efforts and costs than other personnel reduction strategies.

OPTION

DESCRIPTION

LAYOFFS
ACROSS THE
BOARD

Each function is cut by the same percentage. This option often is used as a quick way to achieve budget reductions.

ATTRITION
REDUCTIONS/HIRING
FREEZE

A hiring freeze produces personnel reductions through attrition since additional hiring is limited or forbidden. It defers hard cutback decisions. Attrition takes place as individuals leave the organization through resignations, retirement, or death.

LAY OFF TEMPORARY/
SEASONAL
EMPLOYEES

A common practice for many park and recreation agencies facing budget reductions is to lay off seasonal or temporary staff to protect permanent employees.

ADVANTAGES OF OPTION

1. Cutback decisions are made at a lower level in the organization. Within each small sub-unit, the manager makes cuts where his budget is "softest".
2. Specific constituencies need not be targeted for cuts.
3. Across the board cuts can be implemented rapidly and show immediate cost savings.

1. Short-term cutback decisions need not be made. A freeze provides "breathing-time" for management to evaluate options and make more informed decisions on hard cuts.
2. Those already employed by the agency are not hurt (i.e. their job is still guaranteed). This minimizes morale problems.

1. Permanent staff is unaffected.
2. Temporary/seasonal personnel are not usually covered under union contracts or personnel rules and regulations for layoffs.
3. Cost savings may be substantial.

DISADVANTAGES OF OPTION

1. Functions which are not wasteful are penalized for previous efficiencies; functions with slack resources are not required to achieve fat-free operations.
2. The functioning of the agency may be impaired due to the indiscriminate nature of the cuts. Critical tasks may be eliminated.
3. The threat of layoffs can result in lower productivity due to morale problems and uncertainty.

1. The manager has no control of cuts. Important units might be reduced.
2. Individuals with critical skills (e.g. computer specialists) can find employment elsewhere and are more likely to leave. These individuals are hard to replace.
3. Equal employment opportunity goals can't be met if new people cannot be hired.

1. Seasonal or temporary help are usually hired to perform specific, needed functions. Permanent staff will probably be reassigned to some of these functions.
2. Because seasonal/temporary wages are generally lower than for permanent staff, more layoffs will be necessary for equivalent savings.
3. Temporary/seasonal staff often perform high visibility functions (e.g., park rangers). A reduction in these positions may reduce support for the agency.

OPTION**DESCRIPTION**

FILL PERMANENT
POSITIONS WITH
TEMPORARY
EMPLOYEES

New or vacant permanent slots are filled with temporary employees.

LAY OFF EMPLOYEES/
RECLASSIFY AND
DOWNGRADE
POSITIONS/REHIRE

"Over salaried" positions are identified and employees laid off based on job reclassification review are rehired at lower salaries.

CUTS IN
ADMINISTRATIVE/
MANAGEMENT
PERSONNEL

Many cutback processes neglect to look at potential cuts in administrative and management personnel. In a cutback situation, the organization can become top-heavy in management personnel. This option maintains a relative balance between the numbers of administrative staff and line staff (the direct service providers) by reducing administration/ management staff concomitant to reduction in line staff. The productivity and necessity of functions performed by middle management should be looked at closely. Numerous park and recreation agencies have made cuts in middle management without impairing the function of the organization. In fact, communication between line staff and top management has been enhanced by reducing this middle layer of the organization.

ADVANTAGES OF OPTION

1. Critical positions can be filled at a lower cost per position.
2. Temporary slots can be filled rapidly.
3. Temporary positions more than likely will not fall within the union's purview, thus negotiated MOU's won't have to be followed if layoffs become necessary.

1. Cost savings result from lower personnel expenses.
2. Salaries more accurately reflect the level of job difficulty.

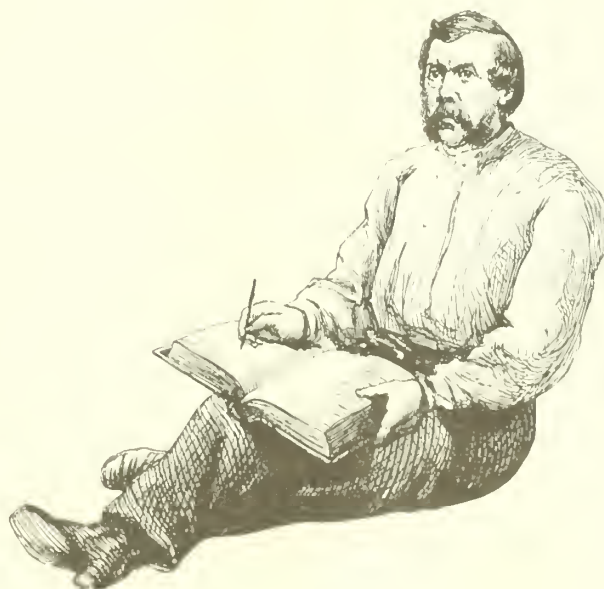
1. Cutting administration/management positions placates line staff concerns that the organization is becoming top-heavy.
2. Line staff stay on the job. Those individuals who are visible to the public provide more in the way of direct service than management.
3. Cutting relatively high salaries in the administrative/management sector reduces the need to cut in other personnel sectors.
4. Cuts can be made on the productivity of positions.

DISADVANTAGES OF OPTION

1. Unions may object to the option as an attempt to undercut their authority.
2. It is difficult to retain temporary employees over long periods of time due to the relative lack of job security, time limitations of employment, and lack of employee benefits.

1. This option often alienates those staff members targeted for salary reductions. Morale and productivity problems may result.
2. Relations with unions can be jeopardized.
3. Cost savings are relatively small compared to required administrative efforts.

1. Cuts may damage administrative functioning if they are too deep.
2. Workload must be picked up by others who may qualify for reevaluation of duties and higher salaries.



OPTION	DESCRIPTION
WITHHOLD COST-OF-LIVING INCREASES	Annual cost of living increases are withheld, essentially reducing salaries when inflation is present.
REDUCE OVERTIME	This option limits the increased overtime salary burden that could be added to the budget to compensate for personnel cuts. Options may include only emergency calls getting answered, clearance of all overtime, and compensatory time.
SHORTEN WORK WEEK	This "share the pain" option causes everyone to suffer modestly through reduced salaries instead of targeting units/individuals for more drastic cuts. Management usually employs the option as a stopgap measure while assessing other cutback options.
RECREATION PROGRAMS	
RECREATION PROGRAMMING STAFF	Reductions in recreation staff match cuts in the overall recreation program such as offering programs at fewer sites and at fewer times or reducing staff for under-attended, outdated, or non-self-supporting recreation programs or reducing staff.

ADVANTAGES OF OPTION

1. This option reduces the need to lay off employees.
2. Substantial short-term cost savings result from holding salaries to the current level.
3. Attrition rate may increase.

1. Prevents expansion of overtime to compensate for reduced staffing levels.
2. Cuts can be made with administrative ease.

1. Shorter work weeks produce immediate cost-savings.
2. This is a good strategy for "buying-time" before taking more drastic cutback actions.
3. Some unions view the option as a more equitable approach to making reductions than layoffs.

1. The manager's assessment of effectiveness and efficiency determine the cuts in recreation programming. A leaner, better targeted recreation program often results.

DISADVANTAGES OF OPTION

1. Courts may uphold cost-of-living increase.
2. Militant union reaction may result over the long-term.
3. Morale problems may increase.
4. The agency's ability to hire talented employees may be weakened since higher salaries will be available elsewhere.

1. Staff morale problems may result from an increased workload without increased compensation. Confrontation with unions might occur.
2. Overtime performed without compensation could create union problems.

1. The value of services provided by the agency will decline because of a shorter work week.
2. Unions may feel management is trying to offset hard-won wage/salary increases.

1. Program personnel cuts in recreation leave needs unfulfilled, and can antagonize constituents.
2. Recreation staff are highly visible "service providers". Cuts remove a clear agency link with the public.

OPTION**DESCRIPTION**

SHORTEN
RECREATION CENTER
HOURS

Reducing recreation center hours achieves savings both in operational costs (e.g. lighting and heating) and staff costs. Cuts can be made across the board or targeted.

HOLD RECREATION
CLASSES IN
FEWER PLACES

Fewer sites offer programs. Reductions are targeted to specific facilities. The formula for determining where reductions will take place must be well thought-out and defensible.

HOLD RECREATION
CLASSES LESS
FREQUENTLY

This option relies on an analysis of demand. The goal is to avoid major service disruptions by reducing the frequency of classes.

MAINTENANCE

CUTS IN
MAINTENANCE
STAFF

Cuts in maintenance staffing is generally one of the first service reduction options considered. It produces substantial cost savings with minimal short-term service reductions.

ADVANTAGES OF OPTION

1. Service reductions can be distributed equally.
2. Immediate cost-savings result.

DISADVANTAGES OF OPTION

1. Reductions may be made without considering patterns of use or need.
2. Decisions on site specific cuts are delayed.
3. Overcrowding may result by reducing hours.

1. Cost savings result even though the service is still provided (at lower levels).

1. Requires that demand for classes at various centers be assessed and cuts be targeted.
2. Clients who attend classes may be alienated by overcrowded classes.
3. On the average individuals must travel farther to attend classes.

1. Limiting the frequency of classes can cut costs while still providing services.

1. May lead to overcrowded classes.
2. May create inconvenience and reduced participation because of scheduling inflexibility.
3. Cuts will have to be targeted based on a defensible system of assessing need and demand.

1. Positions can be eliminated without any immediate service reductions.
2. Some tasks performed by maintenance workers are relatively unskilled. These can be performed by service groups or volunteers with a minimal amount of training.
3. Cuts can be based on productivity.

1. Cuts in maintenance personnel cause certain tasks to be done less often or not at all. The costs of deferred maintenance eventually outstrip the savings from laying off maintenance staff.
2. Maintenance workers are the most likely job class to be unionized. Layoffs or incorrect application of personnel regulations may lead to confrontations with unions.
3. Cuts high visibility positions at parks.

OPTION**DESCRIPTION**

**CUT MAINTENANCE
BY CLOSING PARKS,
RECREATION
CENTERS**

Closing parks and recreation centers to cut maintenance costs should only be considered in the event of severe cutbacks and only then as a last resort. The decision to use this option should only take place after review of sunk capital investment costs, future debt to be retired, and the mothball costs for closing facilities.



**DEFER PREVENTIVE
MAINTENANCE**

Tasks related to detecting damage and correcting it deferred in response to budget restrictions.

**DEFER ROUTINE
MAINTENANCE**

Deferring regularly scheduled tasks such as mowing lawns, emptying trash cans and replacing light bulbs produces short term savings but leads to greater long-term costs.

ADVANTAGES OF OPTION

DISADVANTAGES OF OPTION

1. Park or recreation center closures produce immediate cost-savings.
2. The community and leaders receive a clear signal that budget reductions are severe and services will be reduced.

1. Constituent uproar results in service areas of closed facilities.
2. Debts incurred to develop facilities must still be retired.
3. Costs for locking up a facility are actually high.
4. Closing parks/facilities increases risk exposure.
5. Drastic service reductions may result.
6. The decision on what facilities are to be closed must be defensible and based on relative need/demand. This analysis is often time-consuming.
7. Lower staff presence at parks can lead to increased vandalism (due to less surveillance).

1. Short-term cost savings result.
2. Service reductions are not immediately apparent.

1. Deferred routine maintenance results in increased risk exposure.
2. Service level reductions can become apparent (overflowing trash cans, unmown lawns, etc.) over time as parks become less aesthetically pleasing.
3. Deferred routine maintenance leads to higher future maintenance costs.

1. Produces short-to middle term cost savings.
2. Minimal immediate service reductions result.

1. Damage increases if preventive maintenance doesn't take place, leading to higher down-the-road costs for preventive maintenance.
2. Long-term service reductions occur from damaged equipment.
3. Risk exposure increases over time as preventive tasks are ignored.

OPTION**DESCRIPTION**

**DEFER ADAPTIVE
MAINTENANCE**

Equipment and structural modifications that avoid future damage are usually the first maintenance tasks to be cut due to budget restrictions. Organizations faced with cuts are often unwilling to make short-term investments which reduce long-term costs and therefore defer adaptive maintenance.

**CAPITAL
EXPENDITURES**

**HALT ACQUISITION
AND DEVELOPMENT
ACTIVITIES**

During cutbacks, efforts to expand the park and recreation system should give way to an effort to consolidate and strengthen what exists.

**DEFER ACQUISITION
AND DEVELOPMENT
ACTIVITIES**

If fiscal stress appears temporary, deferring acquisition and development costs can produce savings to get through the current crunch.

**DEFER EQUIPMENT
PURCHASES**

Deferring equipment purchases into future years produces short-term savings.

ADVANTAGES OF OPTION

DISADVANTAGES OF OPTION

1. Deferring adaptive maintenance produces short-term cost savings without reduction in service levels.

1. Decreased risk exposure from adaptive maintenance will not be realized.
2. Long-term cost-savings from adaptive maintenance will not be realized.

1. Substantial short-term cost savings result.
2. Savings can be placed into maintaining existing parks and holding on to current staff and recreation programs.

1. Land acquisition and facility development will be more expensive in the future.
2. "Sunk costs" are lost if project is terminated.
3. If funded by outside grants, matching share is lost.
4. Sections of the community without parks and recreation centers will not have needs met.
5. Some projects cannot legally be terminated.

1. Current fiscal year savings result.
2. Needed facilities can still be developed.
3. Greater short-term flexibility in managing budget reductions.

1. Financing costs will be somewhat higher because of the delays.
2. Land costs are increasing. Deferring acquisition could lead to higher future costs.
3. Some projects cannot legally be delayed.

1. Short-term savings result.
2. If frequency of maintenance is adjusted, newer equipment will not be needed as soon.

1. Frequency of equipment repair increases with age.
2. Equipment "down time" increases and reliability decreases.
3. Faulty equipment increases risk exposure.



Obtain an alternative perspective from others who are also facing cutbacks.

GET ANOTHER OPINION

In reviewing the options, it is difficult to maintain a sense of objectivity. An impartial "third eye" can often identify viable cutback options which have been overlooked, weed out strategies and add credibility to decisions made. Do not substitute the outside opinion, however, for the ongoing participation of many interested parties in the cutback process. The outside opinion merely fills gaps that might have been overlooked in the initial assessment. Examples of organizations which might lend their expertise in reviewing realistic cutback options include:

- * **Borrow Executive Talent.**

Numerous private sector organizations have established "executive loan programs" for the express purpose of assisting government and non-profit agencies in accomplishing management tasks. Also, a number of large corporations retain semi-retired executives on salary for special assignments. The California Roundtable, an organization of the state's largest corporations, formed a Loaned Executive Program in the aftermath of Proposition 13 to improve the financial management and planning techniques of local governments. Use of corporate expertise can bring a valuable new perspective to the assessment of cutback options and also win new allies in the business community.

- * **Ask Retired or Semi-Retired Executives.** These individuals can bring their invaluable management experiences to bear on the tasks at hand at low or no cost. To illustrate, the Federal agency ACTION oversees the Service Corps of Retired Executives (SCORE), where help might be solicited for a departmental analysis.

- * **Agencies Within Your Jurisdiction.**

A Park and Recreation department can obtain an alternative perspective from other agencies also facing cutbacks. Pay attention to your competitors in the budget process. Can you learn from their successes? Also you might solicit an informed view of your agency's operations from other departments such as Auditor's Offices and City Manager's Offices.

- * **Hire a Consulting Firm.** Many private consultants specialize in organizational analysis. It might be worth contracting with one of these firms to do a cursory, short-term analysis of feasible options in the face of revenue reductions.



Priority setting means deciding in what order and to what extent specific programs and services will be cut.

Set Priorities For Cutbacks

The process for establishing priorities must be well thought out, defensible, and "open". Priority-setting is the most difficult, critical, and time-consuming phase in the cutback process. Priority-setting means deciding in what order and to what extent specific programs and services will be cut. This calls for systematically gathering input from all parties involved in the cutback process. Based on input received, the park and recreation manager arrays priorities and attempts to build a consensus on the proposed cuts. If all parties "buy-into" the process initially, conflict over cutbacks is less likely to be severe.

PRELIMINARY STEPS

As a preliminary step before establishing priorities, the cutback manager needs to:

1. Review the agency's agreements with unions and related personnel rules and regulations to determine restrictions on personnel actions;
2. Assemble dollar figures needed in order to assess budget implications of all decisions;
3. Review the list of cutback options in Chapter II and eliminate those options that:
 - * Are obviously not feasible
 - * Are not legal, or require getting statutory authority to initiate

* Are not politically feasible

4. Assess the implications of adopting feasible options using the service reduction strategies and advantages/disadvantages outlined in Chapter II as a point of departure.
5. Review feasible cutback options to see if they are compatible with the agency's Mission Statement.

By following these preliminary steps, the manager has narrowed the range of cutback options. Priority-setting can now focus on the most realistic options.

SUMMARY OF THE PRIORITY-SETTING PROCESS

Some park and recreation managers find program priorities dictated to them by elected officials or top management. Others have a degree of autonomy in ranking activities within their department. Under any circumstances, it is the manager's job to get a handle on relative priorities within the department and be able to convince those outside the organization that the priorities are valid.

To accomplish this, the manager must:

1. Pull together for consideration an initial list of realistic cutback options, omitting no reasonable alternatives;

2. Inform all interested parties of cutback proceedings and determine the appropriate forums for getting input;
3. Decide on criteria to be used in establishing priorities based on feedback from citizens, staff, elected officials and unions;
4. Using agreed-upon criteria for cuts and available priority-setting tools, develop a package of proposed cuts;
5. Hold workshops/hearings to outline the package of proposed cuts. Be flexible enough to alter the list to build consensus;
6. Get approval of the package of cuts from elected officials and top decision-makers.

INFORM ALL INTERESTED PARTIES OF CUTBACK PROCEEDINGS AND DETERMINE FORUMS FOR GETTING INPUT

Involve all groups or individuals with an active interest in the future of the park and recreation agency. Include at least the following participants:

- * Citizens, client groups and advisory boards
- * Agency staff
- * Elected officials
- * Unions

Citizen and Client Groups

Citizen and client groups are the ultimate beneficiary of park and recreation programs. Provide the opportunity for these groups to

indicate which programs are most or least important to them. They may be able to indicate alternative service delivery options so that a service is still provided. Three approaches to involving citizens in setting priorities are:

1. Utilize existing citizen committees that make recommendations in the annual budget process. Since the forum is already in place, a minimal amount of training is needed to "educate" the group regarding the budget shortfall. For example:

- * Pasadena, California has a Citizen's Resource Allocation Committee already involved in the city's budget process. The committee recommends annual priorities for resource allocation to the city Board of Directors.

- * Dayton, Ohio achieves citizen input by establishing Priority Boards for seven city departments, including parks and recreation. Citizens on the board, with the assistance of city staff, submit detailed recommendations to the City Council in the form of Annual Priority Board Needs Assessments.

2. Hold a series of public hearings to establish budget cut priorities if an ongoing citizen resource allocation committee does not exist. For example:

- * After Proposition 13, the Livermore, California, Recreation and Parks

District faced a 28 percent budget reduction. The District Board of Directors held 15 public hearings to solicit citizen input on options and establish cutback priorities. These meetings determined which areas citizens felt could be cut with minimal service disruption.

3. Do a survey of citizen preferences regarding budget cuts. This approach involves individuals who might not be inclined to attend meetings and is presumably more representative of community needs and wants. The department can also solicit information on how it can better market the services it offers. For example:

- * Rochester, New York, recently commissioned a community-wide survey, asking citizens which services should be cut and which services should be funded at their current level. The results were used in budget proceedings to develop overall service priorities.
- * After Proposition 13, Walnut Creek, California, hired a consulting firm to survey citizens on which programs should be cut due to revenue shortfalls. Fifteen hundred citizens were surveyed regarding their service priorities. The results were used in determining the size of reduction for each city department, and the specific functions to be reduced.



Involve all groups or individuals with an active interest in the future of your agency.

Staff

The park and recreation manager facing cutbacks will have to make many tough front-end decisions that will evoke strong feelings and emotions on the part of staff. To begin with:

Does staff participate/make recommendations on budget reduction priorities, or does the manager make those decisions alone?

If the manager makes command decisions without consulting staff, decisions can be made rapidly with a minimum of disruption. However, staff morale will deteriorate and there will be a lack of commitment to the organization.

If staff is to participate in establishing cutback priorities, how will involvement be structured?

Involvement in making cutback decisions reduces staff morale problems and increases commitment to the organization. Line staff and program managers are intimately familiar with the details of their programs and, if approached properly, can assist in identifying and cutting the "softest" areas. Final decisions are difficult to reach under a "committee" format. The manager must remember that he/she is in control and that the final decision rests in his/her hands. Keeping this in mind, actively solicit staff input when setting priorities. For example:

- * After Proposition 13, Belmont, California, faced potential budget reductions. The city held a series of meetings with recreation supervisors to prioritize the entire recreation program offered by the city from most important to least important. With the assistance of experienced staff, the city was able to make cuts based on relative priorities without major service reductions.

- * Proposition 13 cut the South San Francisco, California, Park and Recreation Department's budget by 17 percent. Management was called together to establish formulas for cutbacks, recommend areas for cuts, and creatively examine every program. Each program manager was asked to explain ways to cut their own budget by 'X' percent. Additionally, every manager was asked to comment on programs department-wide. This forced each manager to weigh the importance of each program relative to other programs.

Most managers feel that staff involvement in the decision on cutback priorities is worthwhile. To make the most of staff involvement, the manager should:

1. BE PREPARED. Do some homework in preparing for staff suggestions related to cutbacks. As suggested earlier in the chapter, weed out impractical options and get staff feedback on realistic options. Give staff something to react to in beginning discussion, but be open to other suggestions.
2. DECIDE ON PARTICIPANTS. The size of meetings and range of participants will vary widely. The meetings should at the very least involve supervisory staff, who will have solicited suggestions from their staffs on areas that can sustain cuts. Meetings should be held to a manageable size to allow an exchange of ideas.

3. KEEP MEETINGS STRUCTURED. The goal of the meeting should be to get staff input and preliminary management thinking on cutback options as well as to get suggestions on other approaches/solutions. Keep the following rules in mind:

- * Prepare a meeting agenda to reflect a problem-solving format.
- * Get the group to agree on a set of ground rules
- * Call for discussion of alternative points of view
- * Encourage all members to speak, but don't allow one person to monopolize the discussion
- * Occasionally summarize discussion points
- * Remain neutral when disagreements develop, but be prepared to intervene in order to turn the discussion back to the group or to a different topic

4. EXPLORE ALL OPTIONS. Try to surface all possible cutback options. One way to generate the largest possible number of ideas is to use a brainstorming exercise. Brainstorming is a group problem-solving technique in which participants are requested to identify all possible solutions to a problem or an issue. The question "What areas of the budget can we cut back?" should be posed to the group. To set a creative tone, convey these ground rules:

- * Go for quantity or number of ideas
- * Consider and record all ideas, regardless how offbeat
- * Do not make judgments on ideas during the brainstorm, this can be done later
- * Set a time limit
- * Build on other people's ideas

Brainstorming fosters a sense of participation and teamwork in addressing organizational problems. It can also break down divisional barriers and the sense of territoriality which often stops all possible options from being considered. For example:

- * Ventura, California, recently held a series of brainstorming workshops for city-wide management personnel on the topic of "brainstorming for cost-savings." Each Department was requested to identify cost-savings and efficiencies that could be realized in the department and to identify potential cost-savings in other departments. Later, Departments were asked to identify which of the cost saving ideas they would actually implement. As a result, the City was able to continue all current services with only a 4 percent budget increase.

5. MOVE FORWARD. As the meetings proceed and the full range of

options are considered, focus attention on the most feasible proposals. Consensus-building is the goal, but the manager is in control. When an impasse develops, it is up to the manager to keep things moving and to make the final decisions.

Elected Officials and Top Decision Makers

The final authority for approving/disapproving a package of budget reductions rests with elected officials. Consider the priorities of elected officials. In order to get a package of revenue reductions approved, complete information should be forwarded to them (e.g. costs, alternatives, impacts). Credibility will be lost if alternatives do not surface in a timely fashion. Identify and address their special concerns and interests at the beginning of the process. Be prepared to relate service levels to costs. This explains the program implications of various budget reductions.

Don't wait until you have the final package of cuts before involving elected officials. For a smoother process, involve elected officials throughout the cutback process, but particularly at the following key points:

- * Reviewing initial list of cutback options before presentation to the public;
- * Determining criteria to be used in establishing reduction priorities;
- * Participating actively in citizen hearings on potential reductions;

- * Providing feedback on reduction priorities;
- * Reviewing, overseeing, and agreeing on the final budget reduction package.

Unions

Open communication with unions throughout the cutback process is essential. Increasing numbers of public employees are unionizing in order to gain improved wages, benefits and work conditions. Budget reductions are in direct conflict with these goals. As has been mentioned earlier, personnel is a prime area for cuts since it represents such a large portion of the budget. Unions have, in general, been unimpressed by management protestations that government will soon be without funds to meet employee demands. Those conditions seem to indicate a high potential for union-management confrontation and negotiating impasses. There are certain steps which a park and recreation manager can take to minimize the atmosphere of confrontation while holding firm against demands which may be impossible to meet. These include:

1. Allow unions to participate in cutback proceedings which affect unionized personnel. Union representatives should participate in open meetings/budget hearings related to overall departmental cutback priorities. Their point of view should be heard.
2. Actively listen to the union representatives on personnel-related cuts and attempt to respond constructively to their concerns.

3. While listening to the union perspective, communicate your point of view and constraints related to cuts. Walk the union representatives through the process used to determine cutbacks. Where possible, this communication should include efforts to point out the rationale behind personnel cuts and hard quantitative data that indicates why certain actions must be taken. For agency efficiency and good faith, consider cuts in management staff in proportion to cuts in unionized staff.

4. If personnel cuts must take place, make a concerted effort to implement negotiated agreements with unions properly. Solicit union input on how to implement these agreements for staff reductions. For example:

* The Richmond, California, Park and Recreation Department, faced with a 50 percent budget reduction in 1978, recognized that personnel reductions would have to take place in unionized job classes. Management actively communicated with unions throughout the cutback process and tried to address their two main concerns:

- Opposition to the cost-cutting strategy of putting all city employees on a four day work week (the strategy was dropped after two weeks).
- Making sure the negotiated agreement on layoffs was implemented and that proper bumping procedures were used.



The manager facing cutbacks will have to make many tough front-end decisions.

DECIDE ON CRITERIA FOR ESTABLISHING PRIORITIES

In order to compare services and determine how critical each is to the agency's functioning and mission, you will need a set of standards or criteria. Having cutback criteria reassures all parties that decisions are objective and thus defensible. Begin by reviewing existing criteria systems for establishing priorities. For example, criteria for determining service priorities during periods of water and energy shortages may prove useful in helping make service cutbacks. Use such input as a starting point for developing criteria that can be applied to specific, similar sections of the budget.

Most agencies find it easier to compare similar programs than to, for example, evaluate a recreation program against specific maintenance functions. However, those agencies which have done an agency mission analysis early-on, will find it easier to establish a department-wide unified set of service priorities.

Criteria For Cutting Back Recreation Programs

A study of the local government impacts of Proposition 13 done by the California State Department of Finance indicated that after Proposition 13, recreation programs were generally the first part of the park and recreation budget to cut. The reasons given for these cuts were:

- * Capital investments in parks and facilities must be protected first;
- * At least some programs can be supported by fees;
- * Facilities can continue to be used by the public even without recreation programming.

This vulnerability indicates a strong need to develop rational criteria for scaling back recreation programming, or your agency might face across-the-board and illogical cuts. Some criteria to consider include:

1. Degree of program self-sufficiency. A program which has the ability to pay its own way should not be eliminated.
2. Cost of offering a program. Expensive programs should be looked at closely for cuts, particularly if attendance or benefits are low.
3. Number of clients served. Programs and facilities which have a proven track record of high attendance and use should be given a high priority.
4. Projected future costs. If the dollar costs of offering a program are expected to accelerate relative to benefits, the program should receive a lower priority (e.g. with increasing energy costs, are mobile recreation units still a good idea?).

5. Potential for other local suppliers to provide the program. If the program duplicates or overlaps a similar program offered by the private or private non-profit sectors, the program should be considered for cutbacks.

6. Program balance. Consider maintaining a variety of recreation classes and activities. These should be offered in as wide a geographic area as possible.

Prepare a "fact sheet" for all recreation programs using any or all of the above criteria to generate data. Once data has been collected for these criteria, they can be intermingled to provide better information for making the cutback decision. To illustrate:

Cost of program divided by number of participants = cost per participant. This measure sheds light on costs of a program relative to the number of participants and can lead to an easier comparison of unit costs among programs.

* Berkeley, Missouri's Park and Recreation Department recently had to cut \$15,000 from a budget of \$350,000. Recreation programs were targeted and then prioritized for cuts on the basis of two criteria: (1) participation rate and (2) cost per participant in the program. Those programs with high use and low cost per participant were not cut.

* The Akron, Ohio, Recreation Department's budget is being held at \$1.7 million annually. With inflation, this represents a real cut of roughly 12 percent for fiscal year 1981. Recreation program budget cuts will be assigned on the basis of two criteria: (1) Potential to be self-supporting -- funding will be cut for programs that can be supported by fees; and (2) Participation rates -- funding will be maintained for programs exhibiting high participation rates.

Criteria For Cutting Back Maintenance

Park maintenance functions are usually reviewed closely for reductions when the park and recreation agency faces cutbacks. Agencies with existing maintenance management systems will find it much easier to examine and prioritize their options. These systems provide an invaluable base of information for resource allocation decisions, whether for growth or cutback purposes. Maintenance management systems are intended to:

- * inventory and map all maintenance responsibilities and agency resources, including equipment, budget and personnel;
- * define different service levels to fit different situations;

- * determine maintenance requirements i.e. what tasks will be needed and how frequently they must be performed to achieve the desired service levels at all facilities;
- * Adopt "standards."
Determine resources required to do a specific task, paying close attention to staff time needed.

In many cases, cutting back maintenance functions will mean defining new and lower service levels that require fewer agency resources. With or without a maintenance management system, consider the following criteria when making maintenance cutbacks:

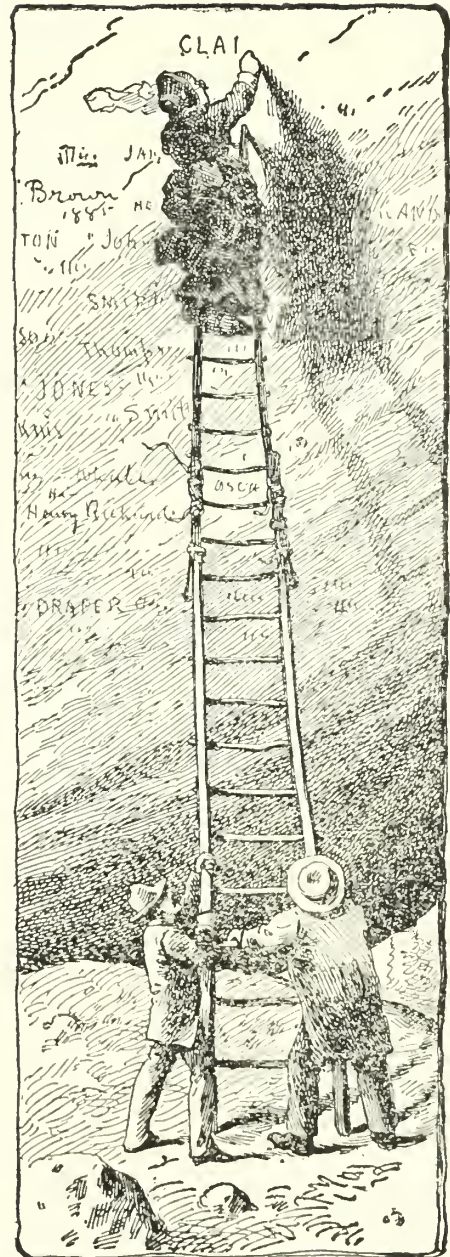
1. Added risk exposure. Try to retain maintenance functions that protect the health and safety of park staff and users.
2. Down-the-road costs of curtailing a maintenance function. Consider the future costs of deferred maintenance. It may cost more to restore the public's investment.
3. Irreversible damage to the resource base. Try to retain functions that protect the loss of a resource for future generations. (e.g. erosion control efforts).
4. Interference with other needed work. Try not to cut functions that preclude other functions (e.g. without litter control, necessary mowing may be hampered).
5. Interference with the ability to use a park or facility. Try to protect maintenance functions in heavily used geographic and program areas (e.g. not mowing a golf course for all intents and purposes closes it).
6. Damage to areas with high public visibility, large public investment, or areas of non-programmed intensive use. These areas should receive extra consideration due to higher use patterns and high public interest.
7. Mothball costs of closing a park or recreation facility. Consider the high short-term costs of continued risk management and vandalism repair, shutting down buildings, settling claims, disposing of land, storing records, and transferring responsibilities.

- * To establish cutback priorities after Proposition 13, the San Jose, California, Park and Recreation Department used its maintenance management system in combination with two criteria: 1. contribution of each task to park function; and 2. contribution of each task to park appearance. Low priority tasks were eliminated or reduced, and a priority list of 24 facilities was developed for consideration for closing in the event of severe cutbacks.

* Ann Arbor, Michigan, developed a park maintenance plan in 1977 which guides maintenance management decisions. The plan developed maintenance standards for parks, created a time schedule for all maintenance activities, and compiled an inventory and measurements for each park. Park officials now have a better grasp on the costs of maintenance. If the department receives an inadequate level of funding to maintain parks at their present levels, high cost and low priority tasks can be eliminated to produce cost savings.

* Dallas, Texas, Park and Recreation Department was forced to cut maintenance functions in the summer of 1979 due to a 50 percent reduction in its fuel allocation. It prioritized maintenance functions to conserve fuel, from most important to least important as follows:

1. Activities required to protect health and safety of users;
2. High visibility, high investment, formal landscape areas;
3. Highly programmed recreation areas;
4. Non-programmed high use areas;
5. Traffic medians.



PRIORITY-SETTING TOOLS

Look for ways to develop department-wide priorities by combining your:

- * criteria for maintenance cutback priorities;
- * criteria for recreation programming cutback priorities;
- * personnel reduction considerations;
- * agency mission statement.

This exercise will be somewhat like comparing "apples and oranges". The relative importance of dissimilar items will have to be determined. The best tool available to the manager for prioritizing different functions is the existing budget system. By definition, budgets determine relative priorities. Any process for establishing cutback priorities should utilize and be compatible with existing budget procedures. In most jurisdictions, the budget takes one of three forms:

- * Line item budgets;
- * Program budgets;
- * Performance budgets;

Each type of budget provides different levels of information relative to cutbacks, as summarized in Table V. It is clear that an existing sophisticated budget process makes the cutback manager's job easier by providing information on the effect of cuts on the

quality and quantity of services provided.

Look closely at your current budget format and make a decision on whether it provides enough information on which to base priorities. The following variations of the three budget types described in Table V may enhance your current budget system and provide additional information:

Cross Priority Analysis

Use this in conjunction with a line item budget (or where there is little data related to service performance). The Pacifica, California, Park and Recreation Department used cross-priority analysis to make a \$65,000 budget reduction in 1976. Each member of the Park and Recreation Commission compared each program versus every other program and came up with an overall priority ranking of the department's services based on established rating criteria. Two programs were compared side by side, with the higher rated program being assigned one point, the lower rated item received zero points. After each budget item had been compared with every other one, cumulative points for budget items were added up. Those programs receiving the most points are the highest priority programs, the least points would go to low priority programs. The rankings were used to make recommendations to the City Council on where cuts should be made. The system offered a defensible, quantifiable approach to making cutback recommendations and supplemented the city's line-item budget.

Table V. MORE ON BUDGETS

<u>Budget Type</u>	<u>Description</u>	<u>Usefulness In Establishing Cutback Priorities</u>
Line-Item	Lists expenses the way they are paid out by line, generally with a short narrative description of the expense.	Usually provides little information to base priorities upon. Often omits considerations related to changes in workload, increased/decreased efficiency or effectiveness. Results or outcomes are not considered.
Program	Shows what services a department provides and what each service costs. Staff, supplies, contractual services and overhead are distributed into each program on a percentage basis.	Provides useful information to base priorities upon since the link between costs and services provided is drawn. The impact of cutting cost items on services provided can be shown.
Performance	Establishes goals for service delivery as well as identifying services and costs. Performance goals are established on the basis of costs and services provided. Quality of services is determined as well as quantity.	Provides best information to base priorities upon. The impact of cuts can readily be observed by looking at whether performance goals can be met or not at various funding levels. Results are related to spending.

Management By Objectives (MBO)

Strictly speaking, MBO isn't part of the budget process, but it has a linkage to performance budgeting and can easily be adapted to these systems. MBO involves identifying specific objectives and establishing performance measurements. Personnel are then committed to achieving the objectives they helped to negotiate. MBO forms a basis for performance evaluation and establishing priorities and allows decision makers to see whether objectives can be accomplished at lower funding levels. Conversely, the objectives of the organization can be rated in order of importance by management in determining what functions will be performed and which will be cut.

- * San Diego, California, uses a cutback process which is tied loosely to its MBO system. Management determines how closely a function is tied to agency objectives (agency mission) and assigns the appropriate priority. Functions not directly related to key objectives receive a low priority ranking and are susceptible to cuts.

Zero Base Budgeting (ZBB)

ZBB can be used in conjunction with program budgets because it links program costs to various service levels. ZBB involves four general steps:

1. Identify decision packages consisting of discreet activities (street tree maintenance, aquatics programming);

2. Prepare several decision packages at various funding levels;
3. Allow political bodies to rank decision packages based on service impacts at various funding levels;
4. Formulate a final budget package.

All proposed activities and expenditures are subjected to the intensive scrutiny normally reserved for new programs.

ZBB has the following shortcomings:

1. The analysis is extremely time consuming.
2. ZBB generates large volumes of paperwork.

However, the advantages of the tool may outweigh the shortcomings, particularly during cutbacks. ZBB establishes how various funding levels will affect the functioning of a program. It allows the cutback decision to be made on the basis of aggregate programs/decision packages instead of divisions and personalities. For example:

- * After Proposition 13, Oakland, California, Office of Parks and Recreation did a Zero Base Budget analysis to be used alongside their existing program budget system. ZBB analysis established priorities for making rational cuts in their programs. Arthur Anderson Company of Oakland (an accounting firm) donated staff time to assist the department.

Although the process was time consuming, city staff felt the ZBB study was beneficial, resulting in selective and thoughtful service cuts rather than across-the-board measures.

Modified Zero Base Budgeting

Select concepts from ZBB are worth applying to any type of existing budget in establishing cutback priorities. This allows for a shorter, less time consuming analysis and less paperwork. To avoid a full ZBB analysis, but still use the concepts, try:

1. looking at the service implications of funding each activity at various levels;
2. looking at the overall implications of service cuts at various funding levels;
3. defining discreet organizational activities and ranking their importance;
4. allowing political bodies to rank programs at various funding levels.

For example:

- * Walnut Creek, California, Park and Recreation Department began using a modified ZBB approach after Proposition 13 in order to systematically determine program priorities given various funding levels. The Park and Recreation Director submits three budget scenarios (decision packages) to the City Council: one with 10 percent

cuts; one with no change; and one with a 10 percent increase. These packages allow for comparison and analysis of the service impacts at various funding levels.

- * The Sunnyvale, California, Park and Recreation Department faced a potential post-Proposition 13 budget cut of \$400,000 (out of a total budget of \$5 million). To get a handle on the effects of cuts in different program areas, the department looked at the impacts on each program of cuts on the order of 10 percent, 15 percent and 30 percent. The implications of the decision on what programs to cut at successively lower funding levels were useful in establishing department cutback priorities.

PREPARE A FINAL PACKAGE OF BUDGET REDUCTIONS

You must now build support for your draft package of proposed budget reductions. It is a good idea to allow all interested parties (citizens, unions, elected officials, top decision makers) an opportunity to comment and propose changes or they will not regard your decisions as valid. You can solicit this input through existing budget and public hearing formats. Don't become attached to your package and view it as final. Instead, aim at presenting your City Council with a package that reflects your ability to compromise and negotiate.



You must build support for your draft package of proposed budget reductions.

Profiles Of Agency Cutback Processes

This publication has outlined a "considered" cutback process, borrowing from the approaches of many agencies. The following case studies will show how individual park and recreation departments dealt with budget reductions within their unique local settings. They illustrate responses to cutbacks of varying levels.

Toledo, Ohio, Park and Recreation Department

In 1970, the department had 80 full time staff. Between 1970 and 1980, the city took on management responsibilities for a number of new facilities. In the same period, diminishing tax receipts due to the decline of the auto industry forced staffing reductions. In 1980, the department had 40 full time staff; in 1981, the number of staff dropped to 26. The department responded to cutbacks in a number of ways:

- * Services were divided into essential and non-essential categories. Essential services were given higher priority for funding.
- * Park maintenance was deferred.
- * Recreation programming was severely cut back. Only the following categories survived: senior citizen programs, handicapped programs, self-sufficient programs, and athletic leagues.
- * No swimming pools are open in the summer.

- * There are no special events.
- * Firings were accomplished by eliminating programs and the positions attached to them.

Based on the union-negotiated Memorandum of Understanding, "bumping rights" based on seniority were used.

- * All park rangers were laid off.
- * The department is considering leasing out golf courses as concessions.
- * In an effort to cut costs the department is trying to lease out recreation facilities to community groups.

The Department kept employees apprised of the status of budget reductions throughout the cutback process. Management division chiefs met with small groups of employees, explained the problem, and how they were responding to it.

The heavily unionized Department made efforts to involve the unions in cutback decisions. The unions understood the problems facing the park and recreation department and realized that reductions had to occur. However, the unions opposed layoffs when facilities were kept open at the same time. In cases where layoffs were unavoidable, the union insisted that negotiated agreements be followed. For

example, one clause in the negotiated agreement required contractors to use union labor when assuming functions that previously used unionized labor.

Long-term impacts of budget reductions are being considered by the Toledo City Manager's Office. A Fiscal Policy Plan for the next ten years has been developed to look for ways to bring service levels back to a desirable level. The plan's recommendations include:

- * Increase local income tax by 1 percent;
- * Establish "special" tax levy to fund the park and recreation department's programs.

Hartford, Connecticut, Park and Recreation Department

The Hartford Park and Recreation Department made personnel cuts through attrition. In recent years, the maintenance work force has been cut at a 10 percent annual rate. In 1970, the agency had 150 positions. By 1981 the number had decreased to 100 positions. Because recreation programs have higher visibility with citizens, they have been cut considerably less. Morale problems in the maintenance area resulted from the shortage of staff and ensuing "job enlargement". Short-term responses to cutbacks include:

- * Try to "cut corners". Use better maintenance equipment, consolidate facilities, and reduce maintenance levels.

- * Educate the public regarding lower maintenance levels and resource limitations. Involve citizens in volunteer park clean-up campaigns and contract for facility maintenance with community-based organizations.

A long-term strategy employed by the department is to do an "inch-by-inch" study of every park and recreation facility looking for ways to cut costs and maintenance load (e.g. eliminate fences or flowerbeds). The department questions every service to see if it could be contracted out to the private sector or neighborhood groups, or if the department should offer the service at all. One staff person is assigned to the project for a two year period and will make recommendations aimed at "squeezing the most out of every buck."

Ferguson, Missouri, Park and Recreation Department

For fiscal year 1981, the department had to cut \$85,000 out of a total budget of \$713,000. The City Manager asked Park and Recreation Department managers to make recommendations on programs to be reduced. The Department took the following steps to make necessary reductions:

- * Four staff positions were cut (three positions reduced through attrition, one person was laid off);
- * Non-revenue generating recreation programs were cut (such as playground recreation programs and teen recreation programs);

- * Fees and charges were adjusted to cover all overhead costs to run the programs/facilities;
- * City management is considering a proposal to increase park concession royalties from the current 25 percent to 35 percent of gross income.

Also under consideration is how to deflect the impact of future budget reductions. For example:

- * Department staff generated \$1,200 by putting on a Haunted House during Halloween. The proceeds were donated to the City Council for the specific purpose of developing an advertising campaign for promoting the recreation program. Better marketing and higher visibility for recreation programming may catalyze citizen support for these programs during future budget cycles.
- * The city is lease/purchasing a mini-computer to schedule facility use, register individuals for programs, and perform revenue/expenditure analyses. These functions were previously performed manually.

Akron, Ohio, Park and Recreation Department

The Department is anticipating a budget reduction in 1981-82 of 2 percent out of a \$1.7 million budget with larger reductions in ensuing years. An effort to map out a strategy for dealing with

future budget reductions has already begun. Strategies being considered include:

- * Since 87 percent of the department's budget covers personnel costs, seasonal, temporary and part-time employees will be cut first;
- * Reduce recreation programs based on the following priorities:
 1. Cut summer recreation programs and recreation center hours first.
 2. Cut from budget allocations those programs that can be supported by fees.
 3. Continue recreation programs with high participation rates.
- * If recreation centers must be closed, shut down smaller, less used, neighborhood centers first (two or three centers out of nine city-wide may have to be closed in the near future).
- * Increase the department's revenue-generating capabilities. In 1980, the agency generated 3 percent of budgeted revenue (\$50,000). By 1982, 5 percent of the budget will be self-supporting (\$80,000) through fees and charges (donations will be solicited to provide scholarships for those who cannot pay fee).

- * Efforts will be made to rent community centers for private affairs at less than market value, but higher than costs in order to generate revenue.
- * Contract out park maintenance to control costs. For example, neighborhood baseball organizations are paid to maintain ball diamonds during the season. Custodial services are contracted to the private sector. Unions have threatened court action because of increased contracting.



Bridgeport, Connecticut, Park and Recreation Department

The department's budget has not increased for five years; inflation has severely cut into the department's buying power. The city terminated the CETA program (which funded 100 maintenance workers). These factors forced staffing to decline from 250 positions in 1976 to 85 at present.

To cope with reduced staffing and funding, the Bridgeport Park and Recreation Department took the following steps:

- * Maintenance tasks previously done on an annual basis are now done every two or three years.
- * "Specialized" recreation classes are no longer offered.
- * More "open" recreation is offered as opposed to structured classes.
- * A defensible system of fees and charges for use of facilities/programs was developed.
- * Private corporations are solicited for donations to support the department.
- * Some park maintenance is contracted out to community-based organizations.
- * The park and recreation agency avoids duplicating programs offered by other recreation providers.

Walnut Creek, California, Leisure Services Department

In 1978, the department was forced to reduce its \$1.5 million budget by 6 percent. Three immediate steps were taken to assemble information on what programs to cut:

1. A consulting firm was hired to survey 1,500 citizens on what programs to cut (for all city departments).
2. Line staff in the Leisure Services Department were told that budget reductions had to be made and were asked how they would recommend making the cuts.
3. Each department manager city-wide was asked to assemble decision packages which reflected programs to be funded with a 10 percent budget increase, a 10 percent budget decrease and funding at the present level (Modified Zero Based Budgeting).

The information generated through the above exercises led to:

- * personnel reductions through cutting back on part time and temporary employees;
- * cuts in after school playground recreation programs;
- * reductions in youth employment services;
- * services contracted to the private sector.

Golf course maintenance was contracted to produce an annual savings of \$40,000 for the city.

The department told elementary school principals that if they could generate outside fund support for afterschool playground recreation programs, the city would help set up a fees program and assist in contracting the program out. Five out of twelve schools wanted the program, which was funded through Parent's Clubs. Three of these programs continue today.

The city does revenue projections for five, seven and ten-year periods to identify trends and plan accordingly. Walnut Creek develops the operating budget every two years. This increases job security for employees while giving the city a longer lead time to review service reductions.

The department worked closely with unions in making budget reductions. It was recommended that managers be "up-front" and realistic on future funding and walk the unions through the reduction procedures. The department looked at management layoffs (supervisory cuts in addition to cuts in line staff) to show that agency was not going to become "top-heavy."

East Bay Regional Park District, California

This special district saw its budget slashed from \$20.9 million in 1977-78 to \$11.1 million in 1978-79 (a 48 percent reduction). In response, the

district took the following steps to make up the deficit:

- * Fees and charges were instituted or adjusted upward.
- * Each staff position was reviewed and non-essential positions were targeted for layoffs. The negotiated agreement with unions established a bumping procedure based on seniority within job class and affirmative action criteria. Other reductions were made through attrition.
- * Seasonal workers were dropped.
- * Acquisition and development efforts were reduced.
- * A park "membership" drive to generate revenue was started.
- * The "Adopt-A-Park" Program was created to solicit corporate support for operating and maintaining parks.
- * New concession opportunities were looked at (e.g. equestrian facilities, a marina on the San Francisco Bay, snack stands, a restaurant on park grounds, and public campgrounds).

Three-year revenue projections indicate a \$2 million deficit for 1983-84. A strategy to address the deficit is being prepared.

Potential revenue sources as well as fees and charges are being looked at closely.

Richmond, California, Park and Recreation Department

Richmond's Park and Recreation department budget was cut from \$2.4 million in 1977-78 to \$1.2 million in 1978-79. The department immediately involved the Park and Recreation Commission, community groups, and staff in prioritizing programs for cuts. The department's Management By Objectives system was useful in developing priorities. Special interest groups were asked to assist in providing services (e.g. donating materials, doing maintenance work). At the same time, the City Manager placed all city staff on a four-day work week to assess personnel reduction options before layoffs. The department employed the following strategies to make up for the budget reduction:

- * Fees were raised to at least cover materials and costs of activities (the department is constantly looking for areas to be brought under fees).
- * 21 full time permanent staff were cut on the basis of seniority within job class. Some supervisory/administrative staff were laid off while line staff were beefed up.
- * 250 part-time staff persons were laid off.
- * Maintenance was deferred.

- * The street tree trimming program was eliminated.
- * The after-school recreation program was cut (the mobile recreation program picked up some of the slack).
- * One swimming pool was closed.
- * Recreation center hours were cut.
- * Attempts were made to start neighborhood "self-help" programs to take up the slack on budget reductions.
- * A reclassification study was requested to determine which staff would pick up additional responsibilities due to personnel reductions.

To address morale problems, management made an effort to keep "an open door policy" (i.e. staff was counseled on their options and kept apprised of cutback proceedings).

Hayward Area Recreation District, California

The district's fiscal year 1978-79 budget was cut by 56 percent from 1977-78 levels (1977-78 budget was \$7.3 million, 1978-79 budget was \$3.2 million, 1979-80 budget was \$4.1 million). The district employed the following cutback strategies in making budget reductions:

- * 53 permanent staff and 200 seasonal positions were eliminated. For permanent staff, cuts were made on

the basis of seniority within programs (based on the negotiated agreement with unions).

- * Three swim centers were closed.
- * Recreation programs were consolidated - they were offered at "fewer sites and less often".
- * Fees were increased to cover costs of programs (the district's complete overhead system of bookkeeping made it easier to set fees equal to the cost of actually offering the program).
- * An aggressive volunteer program was started to replace laid off staff. 25,000 volunteer hours were donated to the department in 1979.

Since further cuts are anticipated in the future, the district is taking the following steps to prepare for further reductions:

- * Instead of purchasing new capital equipment, the district is purchasing two-year old, well maintained equipment from the City of Hayward.
- * A productivity analysis is done on every proposed new position before filling it.
- * The district is studying ways to fill service gaps during peak periods using temporary help (to whom no benefits need be paid).

The district actively tried to address personnel and morale issues after budget reductions. These efforts included:

- * Making an effort to not monetarily hurt those staffers who survived cutbacks. Since they would have more work, fair salaries were deemed essential.
- * Communicating with staff throughout the cutback process. Areas where cuts would be made were indicated as early as possible. Staff was reminded that layoffs were negotiable.
- * Offering to help those laid off get new jobs and deal with creditors.
- * Following up to find out if laid off staff had jobs.
- * Laid off employees were given three-year reinstatement rights so that they could get jobs back without competing if the job was restored.



Livermore Area Recreation and Park District, California

Proposition 13 forced the district to reduce its budget 29 percent from \$2.4 million in 1977-78 to \$1.7 million in 1978-79 (the 1980-81 budget level was \$1.8 million). The first step taken by the District Board of Directors was to hold 15 public meetings to get citizen input regarding what could be done and who would be willing to help. They were told that, without their help, pools, parks, and the stadium would be closed. In addition, parks would not be watered or maintained without citizen assistance. Based on this and staff input on the relative importance of programs, the department took these steps to offset the reductions:

- * The district staff was reorganized and staff duties were reassigned to reflect higher workloads.
- * Staffing was reduced from 41 to 22 full-time positions. (Five of the positions eliminated were administrative/supervisory staff).
- * Fifty to seventy-five non-revenue producing part-time positions were eliminated.
- * Annual salary adjustment was not made in 1978.
- * All recreation programs were made self-sufficient through fees. Programs which could not be made

self-sufficient were eliminated (e.g. youth sports support, summer playground programs).

- * Liability insurance coverage was reduced from \$5 million to \$1 million.
- * The capital improvement program was delayed due to inability to provide maintenance funds.
- * Facilities were closed (1 gymnasium, 2 pools, and 3 parks).
- * The maintenance level was reduced at all parks and facilities.
- * Volunteer neighborhood groups assisted in maintaining and paying for watering 13 neighborhood parks which would have otherwise been closed. The Soccer Club operates and maintains a three-field complex under agreement. The Swim Club operates and maintains one pool under lease agreement for nine months a year. All other facilities are used on a self-supporting basis.

These tough measures created morale and job enlargement problems. However, they will allow the district to rebuild to a lesser operating level. Staffing for 1981-82 reflects the rebuilding process: there are now 28 permanent employees (as opposed to 19 in 1978).



The challenge to the park and recreation manager is to look for creative ways to minimize morale problems.

Carrying On

As Francis Bacon said, "He that will not apply new remedies must expect new evils."

Morale problems are an inevitable by-product of the change and uncertainty that cutbacks bring. The challenge to the park and recreation manager is to look for creative ways to minimize morale problems for both line and administrative staff while maintaining a positive climate for change. Make the best of the immediate situation while reviewing ways to galvanize long-term staff commitment to the organization as well as ways to streamline/improve service-delivery. The department must carry on with its business. This chapter will outline some approaches to carrying on.

BREAKING THE BAD NEWS

As the cutback process proceeds, management should keep employees apprised of its status. Management should be the best source of available information. Too often, an employee's best sources of information are chance and rumors. Management should be upfront with staff, answer questions directly, and share information. For example:

- * After Proposition 13, the Los Angeles County, California, Park and Recreation Department concentrated on communication through holding more staff meetings for field people so that they could keep apprised of the status of budget reductions.

Management staff traveled to various locations to explain the current situation.

- * As the Federal Civil Aeronautics Board was being eliminated in 1980, Board management conducted what was called "sunset in the sunshine." This involved keeping employees informed of the agency's closedown policies, their job prospects, holding small "rap sessions" with line employees and conducting several agency-wide meetings to talk about the agency's elimination.

Once cutback decisions are made, the manager is faced with the unenviable task of breaking the bad news to those laid off. In his article "The Psychology of Saying No", Neely Gardner outlined the following helpful hints for the manager who must break the bad news:

1. Be open with yourself. Be aware of your feelings, intentions and expectations so that what you say to employees affected by cuts honestly matches what you feel privately. This acts to minimize defensiveness and hostility in dealing with the situation.
2. If layoffs are to be made, inform those individuals to be affected as soon as possible. Tell the whole story to the employee at once, including the reasons for the layoff. This stops the employee from building up false hopes and allows the

employee to begin thinking about other options and "picking up the pieces." Nothing is worse from the employee's point of view than the buildup of anxiety which results from rumors and delays in the face of imminent personnel reductions.

3. Once the bad news has been delivered, listen with empathy to the employee's expression of anguish and hostility. This can be done face-to-face or in a small group setting. Make it easy for the employee to talk. Do not attempt to lessen the employee's anger; don't become defensive regarding their criticisms or provide excuses. Allow the employee to vent his/her frustrations. Explain that you hear and understand how he or she feels.

4. Discuss possible actions given the situation that might make the employee's situation better or energize employees to take steps to solve their own problems. Point out helpful or supportive actions you could undertake in their behalf, such as providing severance pay, job placement, or counseling. Adopt a problem-solving rather than an adversary position. For example:

- * In 1978, the Hayward Area Recreation District, California, was forced to lay off 53 people. Once the decision was made on who would be laid off, the department actively assisted these people in finding new jobs. Also, laid off individuals were given three year reinstatement rights if their position was reestablished.

- * After Proposition 13, Gardena, California, was also forced to lay off workers. The city took actions to smooth the transition for those whose jobs were terminated. First, three additional months on the job were allowed for those laid off. Second, the City Personnel Department assisted in placing laid off workers into new jobs.

PERSONNEL ISSUES AFTER BUDGET REDUCTIONS

After cuts, the park and recreation manager has a transformed organization; things will have to be done differently since services will be delivered in a different fashion (e.g. more functions may be contracted out, volunteers may be more heavily used).

The manager faces the challenge of improving organizational productivity, motivating employees, and satisfying their job-related needs in a climate of change.

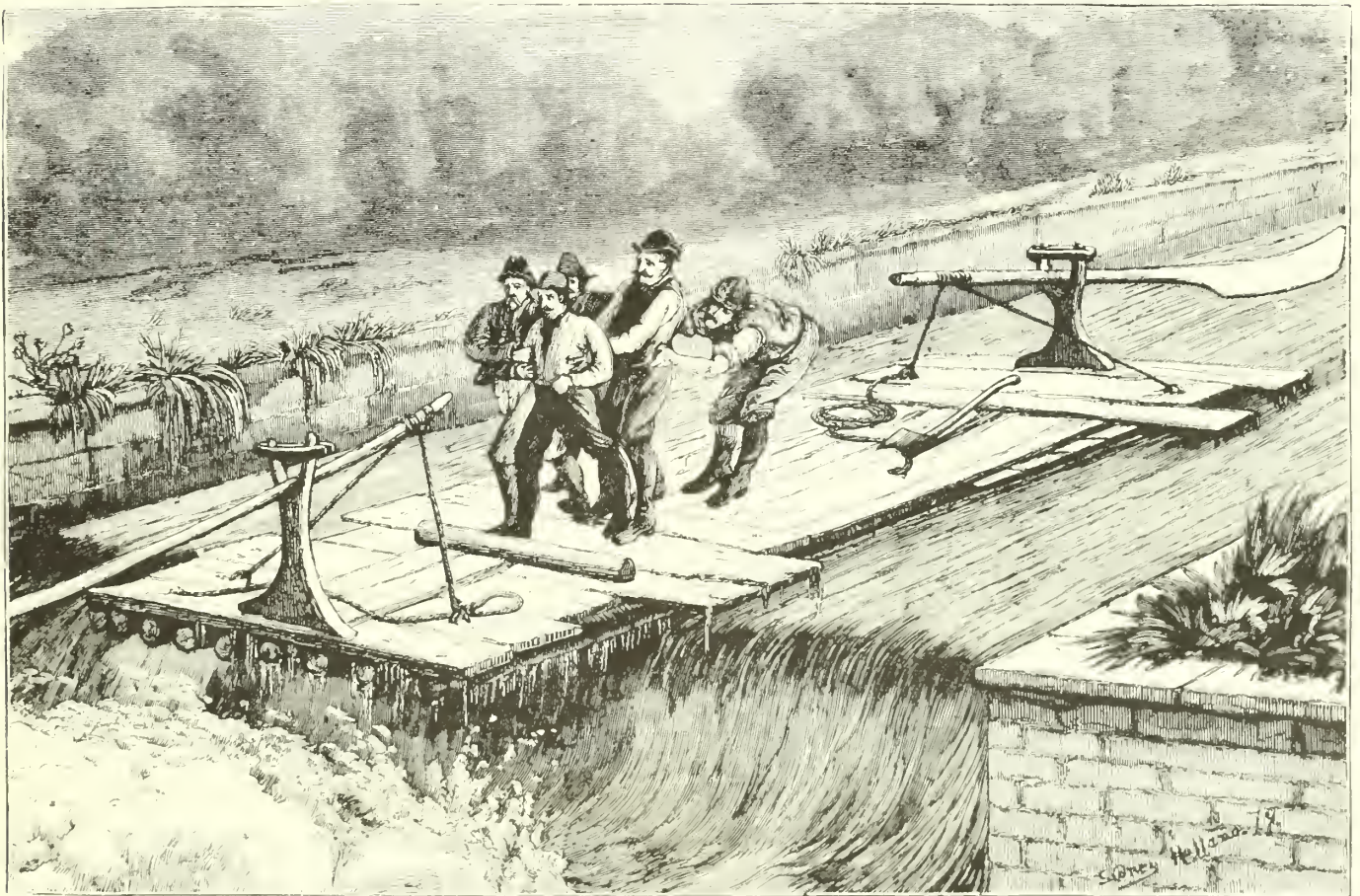
Motivation Through Participation

Activating employees after budget reductions is a difficult task. Motivation can be defined as a way to get employees to fulfill their utmost potential. The motivated employee accomplishes tasks in the most effective and efficient manner because of their desire to grow and their commitment to the organization. Support and challenge your employees to grow to their full potential.

Motivation results from allowing employees to participate in making decisions which affect them and the organizational environment. If employees participate in making decisions, they often feel more responsible for making the decisions work. Find ways to structure increased employee participation and communication in the wake of cutbacks.

For example, the San Jose, California, Division of Parks made efforts to structure

employee participation into its maintenance management system. A steering committee which includes representatives of all job classes was formed which provides employees regular and direct interaction with management. Management received direct and timely feedback regarding its actions and policies in the maintenance area. Employees in turn receive reports on program goals set by the steering committee.



Motivation results from allowing employees to participate in making decisions which affect them.

MANAGEMENT BY OBJECTIVES

A Management By Objectives (MBO) system proves useful in structuring employee participation in management decisions. An underlying assumption of MBO is that employee participation in setting objectives gets people to work towards accomplishing those objectives. MBO involves decentralization of authority.

For example, as part of its ongoing program of employee input, the City of Gardena, California, Human Services Department has instituted an MBO system which requires that all goals and objectives be negotiated up and down the organization on a yearly basis with quarterly reviews.

QUALITY CONTROL CIRCLES

Another useful way to structure worker input into management decisions is through Quality Control Circles. The concept involves pulling together small teams of labor and management as equals, asking them to spot problems in the service delivery system, investigate causes, and recommend changes to achieve greater efficiency and higher service quality. These groups, typically made up of eight to twelve workers and supervisors, meet regularly on a voluntary basis within regular working hours to go over problems the members encounter on the job. Worthy suggestions on how to improve operations are passed on to upper management, which has two weeks to accept or reject

them. Results of using Quality Control Circles include enhanced communication, improved quality awareness, enhanced work creativity, and most importantly a feeling of staff involvement in management decisions. This adds up to improved morale. For example:

- * Lockheed Corporation has documented a 6 to 1 cost-savings ratio of staff time spent in QCC meetings relative to cost savings generated by ideas brought out in the meetings. This translates into dollar savings of \$95,000 per year per Quality Control Circle.
- * After implementing Quality Control Circles, absenteeism at Northrop Corporation plants decreased from 7 percent per day to .75 percent per day. One QCC proposal produced an immediate \$70,000 savings in F-15 Fighter plane production. Northrop passes on 10 percent of any dollar savings to the QCC that comes up with a suggestion. The team then decides how to divide up the money.

Job Enrichment

In an organization which has recently laid off workers, the workload is unlikely to change even though there will be fewer people to accomplish the tasks.

Thus, new tasks will have to be assigned to remaining staff, even though many employees are already working to capacity. Adding new

tasks to an employee's workload is called job enlargement. The same person is now responsible for more. In a situation of job enlargement, already existing morale problems (from the turmoil created by cutbacks) can be aggravated unless management attempts to enrich the job.

Job enrichment involves expanding the complexity and completeness of a particular job so the worker has an opportunity to learn interesting new tasks. The employees' job is redesigned to reflect increased accountability, responsibility, and recognition.

Job enrichment works best when instituted over a long period of time before cutbacks. However, it can be implemented effectively if the effort begins early in the cutback process.

To accomplish job enrichment, do not redesign a job to:

- * Expand the quantity accomplished;
- * Add tasks which do not challenge the talent or initiative of the employee.

Successful job enrichment requires changes in the vertical organization of the department such as:

- * increased employee accountability;
- * decreased management control and supervision;
- * increased responsibility and job latitude for the employee;

- * assigning specific areas of specialization within which an individual employee may become an expert;
- * increasing staff responsibility for planning and organizing programs as well as carrying them out.

Begin redesigning jobs as early in the cutback process as possible. Allow employees to participate in the job redesign effort so that they can see the real staffing shortfall and make a commitment.

A result of job redesign may be a more compressed organizational structure. Compressing levels of the organization increases management/line staff communication and decreases information distortion.

Incentives

Use a variety of incentives and forms of recognition to improve employee productivity and morale. Select monetary or nonmonetary incentives that respond to individual needs while helping to advance the objectives of the organization. Monetary incentives include:

1. Attendance Incentives. Aimed at reducing sick leave abuses, these take two forms: (1) an annual cash bonus or extra vacation time for unused sick leave; and (2) conversion of unused sick leave to additional terminal leave or retirement benefits.

- * Because of staffing limitations, the Hayward Area

Recreation District, California, has explored ways to keep current staff on the job more often. Two steps were taken:

- Employees were given the option of being paid for one-half of their accumulated vacation leave instead of taking the time off.
- Salary increases were given to supervisory personnel instead of having three holidays off (on an annual basis).

2. Competitions/Contests/Bonuses. Foster a competitive spirit through providing monetary reward for meeting certain performance targets.

3. Suggestion Awards. Individuals or units submit ideas for cost savings or improved service delivery. Adopted ideas result in monetary rewards (a portion of cost-savings) for the individual or unit.

4. Safety Incentives. Improved safety records result in monetary rewards.

Non-monetary incentives include:

1. Job Rotation. Experience in several assignments enlarges employee perspectives, capabilities, and overall work experience. Rotational assignments can also be used selectively to provide line employees with a view of problems from middle or top management's perspective.

* The Maintenance Division of the Baldwin Park, California, Community Services Department has experienced a significant turnover in manpower within the last three years. In order to maintain adaptability and flexibility, a program has been developed which allows maintenance workers to be assigned on a rotating basis to every section within the Maintenance Division in order to provide them with a maximum amount of information concerning each operation. Upon completion of the rotational assignment, the employees will be assigned to a specific section based upon their abilities and desires.

2. Task Systems. Workers leave as soon as assigned tasks are completed while being paid for eight hours work. Clear specification of what represents a "fair day's work" determines what tasks are assigned. The employee sees the connection between effective job performance and extra time off. The jurisdiction can benefit if the task system is well designed through reduced overtime.

3. Variation In Working Hours. Giving employees some control over their work schedules leads to higher employee morale. Flexible hours, variable hours, and expanded workdays which allow employees one or more day off per pay period provide this control.

4. Improved Work Environment. A recent Lou Harris survey indicated that 92 percent of office workers perceive a

connection between the personal satisfaction with their office surroundings and job performance. Work environment factors which can be altered to improve performance include: amount and privacy of work space, degree of autonomy, access to work location, and light and heat in the office.

5. Recognition Awards.

Testimonial dinners, citations and special awards motivate employees by recognizing their efforts. All individuals seek recognition for their achievements. As a manager, give recognition consistently and fairly when it is deserved.

Retraining

If critical positions within the park and recreation department are vacated, new individuals have to be placed in these positions and trained quickly. Retraining does not include complete reeducation. Retraining is an abbreviated training for a similar job which requires added skills for a completely new job. Retraining is valuable as part of a well planned productivity improvement program. It creates a sense of job security for employees and improves morale while allowing for the rapid introduction of labor-saving equipment. For example:

- * The Texas Department of Human Resources used a Reduction-In-Force (RIF) Committee during the last three years when statewide employee cuts were mandated by executive

order. If the RIF Committee recommends it, an employee scheduled for termination may be assigned to a position requiring retraining. In Fiscal Year 1979, 675 people were slated to be eliminated from the department.

Coupling retraining and relocation, all but 33 people found new jobs.

Conclusion

Managers must strengthen internal relationships with employees to meet the challenge of cutback management. Select your arsenal of tools to change the way you do business, motivate and provide incentives to your employees, and avoid an atmosphere of confrontation. Attempt to facilitate the positive development of your employees to guarantee organizational well-being.

COPING WITH CUTS IN THE LONG TERM

The Park and Recreation manager may be like the Count of Sieye's, who, when asked what he did during the French Revolution's Reign of Terror, gave the legendary reply: "I survived". The Park and Recreation Department will also survive, but it will operate differently (depending upon the size of cuts and the agency's responses). Many of the cutback decisions made in the short-term will have differing impacts in the long-term. New approaches will have to be employed to deal with long-term change. The manager should

immediately begin charting a course for the organization to follow in the future.

The agency mission offers a blueprint to follow. Goals and objectives should focus on ways to make the department "resistant" to cuts while maintaining flexibility and accountability. A diverse approach to the future is necessary, borrowing from other public agency approaches as well as private sector techniques. These approaches should realistically reflect the political forces which will affect future policy directions.

A variety of tools and strategies can help move the park and recreation manager toward the future, such as:

- * Improving existing management systems;
- * Improving productivity;
- * Systematic approaches to lower maintenance costs;
- * Using marketing principles;
- * Involving the private sector.

Table VI will describe each of these strategies, provide case studies on where it has been used, and provide the reader with sources of more detailed information.



The park and recreation manager may be like the Count of Sieye's, who, when asked what he did during the French Revolution's Reign of Terror, gave the legendary reply, "I survived."

TABLE VI: STRATEGIES FOR COPING WITH CUTBACKS IN THE LONG TERM

STRATEGY

IMPROVE EXISTING MANAGEMENT SYSTEMS

TECHNIQUE

Revenue/Expenditure Projection Systems

Use to fiscally plan for the future, since it provides information on revenues likely to be available and how these estimates match up with projected expenditures. Revenue projections are important for capital improvement budgeting, planning for bond issues, assessing future funding sources and planning for future revenue shortfalls.

Based on current service levels, expenditure projections identify future service levels on the basis of whether service levels will increase, decrease or remain the same. They provide decisionmakers with alternative cost and service level figures related to future service delivery scenarios and establishing service priorities.

EXAMPLES

- * East Bay Regional Park District, California, does three-year revenue projections. If revenue shortfalls appear, a strategy is developed to augment the revenue base (reviewing fee structures, looking at public-private partnerships to generate revenue).
- * Walnut Creek, California, does five, seven and ten-year revenue projections for the purposes of identifying revenue source trends and planning for the future.
- * Toledo, Ohio, developed a Fiscal Policy Plan for the next ten years. The plan, based on revenue and expenditure projection trends, explores ways to bring service levels back to desirable levels after recent budget reductions and ways to raise revenue.

TECHNIQUE

Program or Performance Budget Systems

These systems are useful in linking service levels to program costs. See Table V and on page 57 for description.

EXAMPLES

- * The Los Angeles, California, Park and Recreation Department employs a Program/Performance Budget System which allows funding decisions to be made on the basis of program effectiveness. The Los Angeles system identifies objectives and effectiveness criteria for each program, suggests alternatives and allocates resources on the basis of determined priorities.
- * The Tulsa, Oklahoma, Park and Recreation Department utilizes Management By Objectives to allocate resources. Before implementing the system, interdivisional communications were bad, duplication of purchasing occurred and scheduling was ineffective. A study tracking the results of implementing MBO showed that by relating objectives to priorities, managers and subordinates were planning and scheduling more effectively. Morale improved because of the more objective and concrete nature of performance appraisals. The results: improved staff productivity and more efficient allocation of resources.

STRATEGY

IMPROVE PRODUCTIVITY

Productivity is the efficiency with which resources are consumed in the delivery of public services. It is the ratio between resources that go into a task (input) and the work actually accomplished (output). Improved productivity results in more/better services for the same unit cost, or the same level of services at lower unit cost. Efforts to improve productivity should be a part of every park and recreation agency's attempts to deal with future cutbacks. Higher service levels can be maintained if each dollar is spent more effectively (doing the right things) and efficiently (doing things right).

Performance measurement is the yardstick by which the value of productivity improvement can be quantified and assessed. Productivity data collected over time can be used to monitor performance, identify areas for improvement, and to relate resource needs to estimated demands.

TECHNIQUE

Better Train and Motivate Employees

Workers who are better prepared to do a job perform better. The investment in well-targeted training pays off in

increased productivity. Provide incentives to increase employee morale.

EXAMPLE

- * Rockville, Maryland, has improved staff productivity by sharing cost-savings. Where a staffer finds an area for cost savings, the savings are split: 50 percent of savings going to the city; the other 50 percent going to the employee. The city has not only saved \$27,000 to date but has also motivated and provided incentives for employees to look at ways to cut costs and streamline functions.

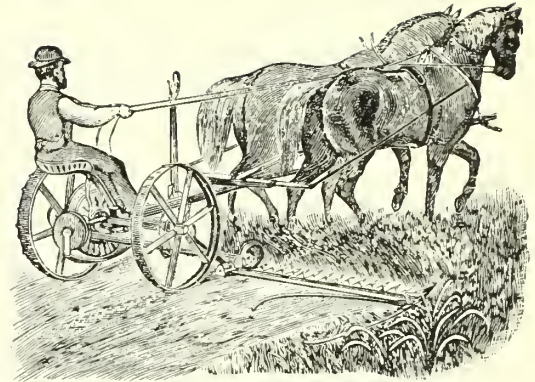
TECHNIQUE

Better Plan and Schedule Use of Manpower

Organizing the tasks which a park and recreation agency performs into a logical progression which minimizes staff "downtime" and overlapping efforts can make existing staff time go a longer way. Improved employee utilization can be achieved through demand-oriented staff scheduling plans, reassignment of personnel to backlogged functions, redesign of inefficient tasks, reduced non-worktime and reclassification of underutilized positions. Implementing maintenance management systems has as one of its basic tenets the goal of better scheduling staff on specific tasks. Productivity is improved by developing task lists, task descriptions, time standards and task frequency lists. After each park is inventoried for tasks, frequency and time standards can be applied to individual parks to systematically allocate staff time to a set of tasks.

EXAMPLES

- * Santa Ana, California, Park and Recreation Department is currently studying ways to improve park maintenance efficiency. A key component of the study involves looking at ways to improve task scheduling. Previously, maintenance workers were responsible for one park and often had "downtime". The study will result in implementing tighter time schedules related to tasks to be accomplished by multi-park work teams. First year cost-savings are anticipated to be \$50,000.
- * After Proposition 13, Richmond, California, Park and Recreation Department had to lay off staff. Remaining staff were forced to pick up the extra workload. The City Council authorized a job reclassification study in order to rationally reallocate the additional responsibilities.



Manual tasks such as mowing, trimming, weeding, and watering can be replaced by labor saving equipment.

TECHNIQUE

Use Improved Technologies Substituting Capital for Labor

Utilizing technologies which substitute capital for labor results in productivity improvements over time. Two prime areas are: (1) using capital equipment for an increased portion of park maintenance activities; and (2) utilizing computer technology for management and scheduling-related activities. Much maintenance work involves tasks such as mowing, trimming, weeding and watering. These manual tasks can be replaced by labor saving equipment. When coupled with use of mobile crews in scheduling maintenance tasks, the high initial capital investment required to purchase this equipment can be justified and pays for itself over time through improved productivity. Application of computer technology in the field of parks and recreation can lead to significant productivity improvement in management and scheduling. Management applications include use of computers for budgeting, accounting, mailings, payroll and purchasing. Scheduling-related applications include recreation program registration and reservation, maintenance scheduling and workload/cost tracking (for keeping apprised of labor, equipment and material costs).

EXAMPLE

- * Ferguson, Missouri, Park and Recreation Department spent \$80,000 for lease/purchasing a mini-computer. It is used for scheduling facility use, registering people for recreation classes, and revenue/expenditure analysis. Lighting for tennis courts will be tied in with the computer. Credit cards will be sold on which individuals can deposit money into a computer account. Money in the account will be deducted incrementally each time an individual uses tennis court lighting (the credit card is inserted into a machine similar to many used in parking structures hooked directly to the computer).

TECHNIQUE

Better Maintain And Deploy Equipment

Greater productivity from capital equipment investments can be realized by increasing the availability of equipment through more efficient repair, more extensive preventive maintenance, cost-effective replacement policies and through scheduling procedures which minimize equipment down-time.

EXAMPLE

- * Los Angeles County, California, Park and Recreation Department uses mostly antiquated capital equipment for maintenance. In order to meet its future equipment needs, the county has embarked on a 10-year equipment replacement program. The program identifies equipment needs and when equipment will be purchased. Replacement needs are being inventoried with the intent of increasing automation and minimizing equipment down-time.

STRATEGY

SYSTEMATICALLY REDUCE MAINTENANCE COSTS

Make efforts to systematically minimize future maintenance expenses. With labor and fuel costs steadily climbing, ways to design or adapt structures to cut maintenance-related expenses should be made. Use of a maintenance impact statement in designing new facilities is one way to look at the maintenance implications of different design schemes. This requires maintenance staff involvement in planning all proposed projects which incur maintenance costs and bringing cost-saving alternatives together in a single document. The material is conveyed to political bodies so that maintenance costs and alternatives can be considered in acting on the proposed project.

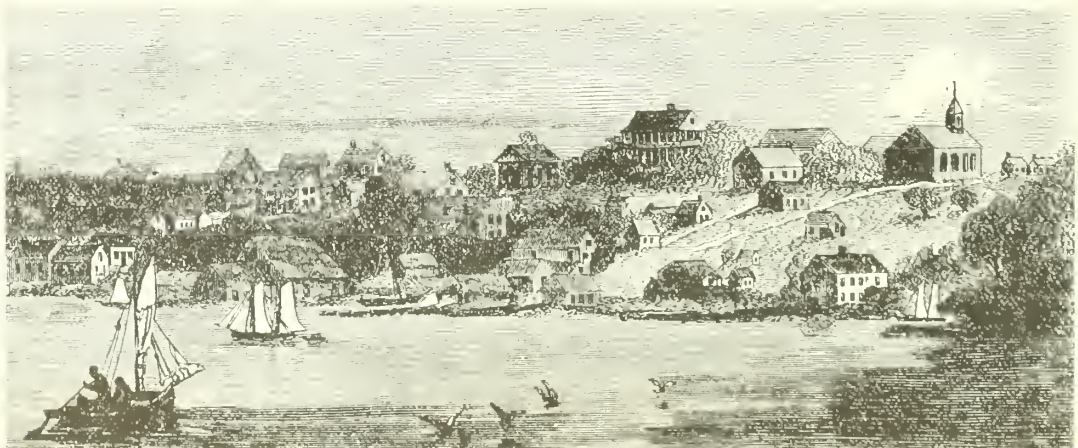
EXAMPLES

- * Walnut Creek, California, requires a Maintenance Impact Statement anytime a project will require new or changed maintenance. The originator of the project informs the Public Service Department (responsible for park maintenance). The maintenance supervisor of the impacted site estimates future maintenance costs and suggests cost-saving alternatives. This information (the MIS) is returned to the project originator to become part of the decision-making package presented to the City Council.
- * Los Angeles, California, Department of Recreation and Parks has developed design criteria which seek to minimize maintenance on new park and facility development, standardize equipment and maintain consistency in building design. A unique feature of the process involves post-occupancy evaluation of every landscape and structure within one year of project completion. The information which facility "occupants" provide on design features which could be altered to save on maintenance and energy costs is used to regularly update the design criteria for new structures.

STRATEGY

UTILIZE MARKETING PRINCIPLES

As John Crompton, a Professor of Recreation and Parks at Texas A & M University says, "Good roses need to be pruned to allow for healthy growth". A balanced recreation program should also be pruned occasionally to maintain its vitality. General marketing principles offer a guide on how to achieve a balanced program based upon a client-service orientation. Marketing for park and recreation agencies can be defined as a process for determining client's needs and wants, developing services to meet those needs and wants, and fostering awareness of those services.



Every recreation program goes through a life cycle. The length of life-cycle segments can be altered by management interests and concerns, but the inevitability of a definite end cannot be changed. Park and recreation programs go through the following cycles:

1. Introduction - slow growth-building clientele acceptance;
2. Take-off stage - rapid growth;
3. Maturity - growth rate slows down;
4. Saturation - waning clientele acceptance;
5. Decline - removal of program from marketplace or substantially reduced level of market acceptance remaining constant over a period of time.

Each stage of the program life cycle requires a different marketing strategy (marketing strategy can be defined as a selected approach to regulating the level, timing and character of demand for a program) and differing levels of resource allocation.

The program life cycles for a park and recreation department will be altered significantly by present or future budget reductions. The resource allocation component of the life cycle will be changed by cuts such that fewer new programs can be introduced and declining programs will face an earlier termination. These changes signal the need for park and recreation agencies to consider the following in coping with budget reductions: (1) Establishing procedures for addressing situations of overfull demand; and (2) Establishing formal program elimination procedures.

TECHNIQUE

Overfull Demand/Demarketing

Discouraging demand has been called "demarketing". Demarketing largely calls for marketing in reverse. Instead of encouraging customers, it calls for discouraging them. This is not an easy task since it will not be popular with certain groups that stand to lose an existing service.

The following demarketing tools can be applied to a park and recreation program as a means of reducing demand:

1. Raise Prices. Increasing the fees charged to participate in a recreation program or instituting new fees will work to cut demand for the program.

2. Offer the program in less places. In the event of budget reductions, closing select recreation centers/parks and offering recreation classes less often in less places will reduce demand.
3. Alter the product. Changing the quality and structure of a program will change demand. Increasing the size of a class or limiting the number of teams/games for a sports league will somewhat alleviate overfull demand.
4. Change program promotion techniques. Do not publicize programs as widely as in the past in order not to stimulate further demand.

EXAMPLES

- * Scottsdale, Arizona limits overfull demand on its park system by charging fees to out-of-town system users.
- * After Proposition 13, Hayward Area Recreation District, California, demarketed some of its programs by offering them less often at less locations while increasing fees.



Pruning declining programs is as important as adding new ones.

TECHNIQUE

Program Elimination

Park and Recreation agencies generally invest much time and effort in developing new programs while devoting much less attention to eliminating programs which have out-lived their usefulness. However, a successful department recognizes that pruning declining programs is as important to maintaining programmatic balance as adding new ones. Retaining marginal programs stops an organization from increasing service levels while reducing its ability to respond to change.

Systematic program elimination is often ignored because it is not a pleasurable task. Managers often do not have an objective perspective on the utility of existing programs due to personal biases or feelings of affinity to programs. Also, no manager enjoys telling a client group that their service is being cut.

As a strategy for coping with future cutbacks, a procedure must be built into the management of existing programs which guarantees that each is periodically evaluated regarding its program life cycle stage and whether the program should continue. A three-stage procedure should be considered:

1. Identification of those programs which should be considered for elimination;
2. Evaluate whether elimination is the best possible strategy or whether the marketing strategy should be altered;
3. Implement the decision and inform affected clientele.

STRATEGY

INVOLVE THE PRIVATE SECTOR

Much has already been said in this publication regarding the importance of involving the private sector in providing park and recreation services. An imaginative longer-term effort to involve the private sector in the department's functioning will smooth over some of the negative effects of budget reductions. Some feel that financial constraints are changing the role of agencies from direct resource suppliers to catalysts whose function is to stimulate others to provide recreation opportunities. If this is so, the park and recreation professional's role is increasingly as an entrepreneur operating in the public sector, searching out and capitalizing on opportunities which will enhance service delivery. In meeting short-term revenue shortfalls and coming to grips with future cutbacks, a systematic effort should be made to identify and utilize available private sector resources within the community.



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