

TO: Lawrence City Commission

FROM: Lawrence Parks and Recreation Advisory Board

DATE: July 1, 2019

RE: Parks and Recreation Budget Adjustments: Interim Advice and Preliminary Health Equity Impact Assessment on User Fees

The advisory board offers for your consideration the following documents related to LPRD budget adjustments recently requested by the city manager:

- A. Interim Response to the Lawrence City Commission on the Department's Proposed Adoption of Recreation Facility Security and User Fees
- B. Preliminary Health Equity Impact Assessment on Parks and Recreation User Fees
- C. Public Comment Received to Date on LPRD Budget Adjustments

Lawrence-Douglas County Health Department staff member Sarah Hartsig helped a subcommittee made up of 3 advisory board members and 2 LPRD staff members complete a preliminary version of the health equity assessment tool. This version was advisory board- and staff-generated. Methods did not include surveying LPRD patrons, taking public comment, or conducting any other study.

Summary of Advice

1. The budget adjustments generally, and the user fee proposal specifically, present strong equity concerns. Due to lack of user data, it is unclear which residents will be disproportionately affected. However, it appears that the user fees could negatively impact low income and minority populations. Public comment to date has identified the phased closure of the Community Building as another equity issue.
2. More time is needed to document and address potential inequities, and formulate policies that support department funding needs while minimizing negative impacts on low income and minority populations.
3. The advisory board stands ready to do additional study on potential impacts of the proposed budget adjustments. If you would like us to do additional data gathering and analysis, we request assistance in the forms of city staff time and computing resources.

LPRD Advisory Board

Interim Response to the Lawrence City Commission on the Department's Proposed Adoption of Recreation Facility Security and User Fees

July 1, 2019

The Lawrence Parks and Recreation Advisory Board has begun review the department's proposal for adoption of recreation facility user fees as part of its 2020 budget proposal. With less than a week's notice between the commission's request for advice and our June 10 meeting, we have not had time to fully vet or listen to community input on either the security card/user fee proposal specifically, or the other important components of the budget reduction proposal generally.

This is an interim report listing our initial thoughts and concerns. We are open to conducting additional study and providing additional advice to the commission if requested and possible within desired time frames.

1. Statement of Overall Concern. The city manager's May 3 request that LPRD reduce the transfer to the Recreation Fund from the General Fund by approximately \$674,000 led to a quickly assembled set of revenue additions and expenditure reductions, some of which have uncertain assumptions and unknown outcomes, and none of which has been subject to public comment. In the absence of good data, further study and opportunities for citizen input, the department runs the risk of creating bad will and missing budget targets, while more importantly reducing access to recreation facilities, especially for low-income, historically disadvantaged citizens.

2. Facility Access Cards and User Fees: Pros and Cons. **In other Kansas communities and nationwide, recreation facility user fees have become a common way to offset facility costs.** In the short time frame we have had, we are unable to provide sound advice on all questions posed by the city commission regarding the adoption of recreation facility user fees **in Lawrence**. For now, we are prepared to share this list of the pros and cons of the user fee plan as currently presented by staff:

Pros

a. *Improved security:* An access card system provides a needed means of tracking who and how many people are currently using a facility. Controlling access is expected to reduce the risk of people entering facilities without authorization. Because spectators and some other facility entrants will be exempt from the card system, there will continue to be some security risks.

b. *Usage data gathering*: The department needs a reliable way to track facility usage. Current headcount methods are unreliable. Management has a legitimate need for good data to inform decision-making.

c. *New net revenue*: Derek Rogers's May 20 Budget Adjustment Memo acknowledges that security card/user fee "revenue expectations are unknown." Still, it seems somewhat likely, based on our current understanding, that user fees will result in some new net revenue to offset facility and staff expenses.

d. *Supports Master Plan cost recovery goal*: Citizens who use recreation facilities will contribute more to their upkeep and staffing than citizens who don't use these facilities. This is in keeping with LPRD's Master Plan financial goal "to track cost center expenses and provide consistent, equitable and fair user fees. "

Cons

a. *Cost barriers to facility use*: The biggest down side of user fees is that some residents, especially low-income, historically disadvantaged residents who tend to live shorter, sicker lives, are expected to lose the health benefits of free access to indoor recreation. In a community that strives toward health equity, recreation facility user fees are expected to reduce equity in the same way that other recreation fees, such as class fees and swimming pool fees, already reduce equity. LPRD staff has talked about "working with" local nonprofits to provide some free access for certain disadvantaged patrons. But no plan has been devised to fairly provide access to all citizens who are low-income or health-expense-burdened, but not connected to local nonprofit services. Even if an "equity plan" is devised, some patrons are likely to opt out to avoid the stigma and process of asking for fee waivers. In short, no user fee waiver plan will be as equitable the current practice of charging zero user fees at all.

b. *Pricing structure will hurt lower-income users*: The proposed fee structure privileges higher-income users who are able to pay for year-long or 6-month memberships up front. Those who cannot afford these cash outlays will have to pay day-pass or other shorter-term pass fees, which may result in some of them paying more for access over the course of a year than higher-income citizens. This exacerbates inequities. **The advisory board would like to explore alternative fee structures that are fairer to all users.**

c. *Full cost of system implementation unknown*: The full costs of implementing security systems and user fees have not been estimated. Some minor entrance remodeling, equipment and supply costs have been estimated, but there are not yet any estimates on the staff costs of implementing security

cards and user fees. This makes it impossible to do the type of cost/benefit analysis that may soften citizen resistance to the plan.

3. Request for more time and access to data gathering and analysis resources.

The Lawrence-Douglas County Health Department has offered to help the advisory board do a health equity impact assessment on the user fee proposal. This will take time—up to 30 days for a board-driven cursory assessment, and 6 months if methods include surveying patrons, including affected low-income patrons who may not be able to access online surveys.

Additional time would allow the advisory board to:

- Review responses to the Master Plan survey on financial choices/fees
- Receive community feedback through open forums
- Explore more equitable ways to structure fees
- Explore methods to waive fees for low-income residents

If we do data gathering and analysis, it will require city staff time and computing resources. If you would like us to follow through with the health equity impact analysis, we request access to tools and staff time needed to complete it.

We are also willing to study the impact of other aspects of the cost reduction proposal, such as phased closure and sale of the Community Building, and new fees to use facilities like the South Park wading pool.

Please let us know how you would like us to proceed.