



REVIEW OF NONPROFIT SECTOR STUDY: FINDINGS, IMPLICATIONS & RECOMMENDATIONS

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ORGANIZATION ASSESSMENT (OA)

PROJECT OVERVIEW – PART 1



- The OA project takes a holistic approach to understanding Nonprofit Partner Organizations (NPOs) that specifically support and work on behalf of the state park system as a key part of their mission. The goal of the study is to answer the following questions:
 - Who are the NPOs that work with, on behalf of, and/or for California's state park system?
 - What is the financial contribution that the NPOs are currently making to state parks?
 - What is the scope and types of programmatic work done in the nonprofit sector?
 - What is their relationship to the California Department of Parks and Recreation (DPR)?
 - What are the NPOs' current organizational capacities and potential needs?

The conclusions of this study will help TAC magnify our understanding of our partners' needs and abilities, position us to offer more strategically targeted assistance, and maximize the efficiency of our resources.

ORGANIZATION ASSESSMENT (OA)

PROJECT OVERVIEW – PART 2



There were two deliverables of this project. One is a **macro-level assessment of 126 nonprofit partners**

The second is an in-depth, **individualized assessment of 21 organizations** that agreed to participate.

In determining which groups to include in the study, we selected a representative cross-section of organizations that were diverse in size, geographic location, financial support, programmatic interests/ expertise, and type of park classification being supported.

Profile of the NPO Sector Supporting State Parks – Section 1

126 NPOs were identified in consultation with CSPF as representative of the network of nonprofit organizations supporting state parks. All 88 of the official cooperating associations to state parks were included, in addition to Park Operators, Concessionaires and Partners. Some NPOs have two or more of these roles. The following is a sample of some of the data we gathered.

Profile of the NPO Sector Supporting State Parks



3 Large
statewide vs.
123 regional
NPOs

80 Million in
annual revenue

Vast volunteer
base

Income mix
varies
statewide vs.
regional NPOs

	Total Sector (N=126)	Excluding Statewide NPOs
Annual Gross Revenue	\$80,641,355	\$46,825,857
Total Net Assets	\$213,965,639	\$95,295,236
Number of Board Members	1,025	971
Total Number of Individuals Employed	865	727
Total Number of Volunteers	54,920	13,767
Revenue Sources		
Income from Contributions and Grants	\$53,580,103 (70%)	\$23,892,356 (56%)
Income from Program Services	\$12,117,190 (15%)	\$12,116,190 (28%)
Investment Income	\$3,510,574 (5%)	\$560,729 (1%)
Other Revenue (includes retail)	\$7,333,123 (10%)	\$6,184,819 (14%)

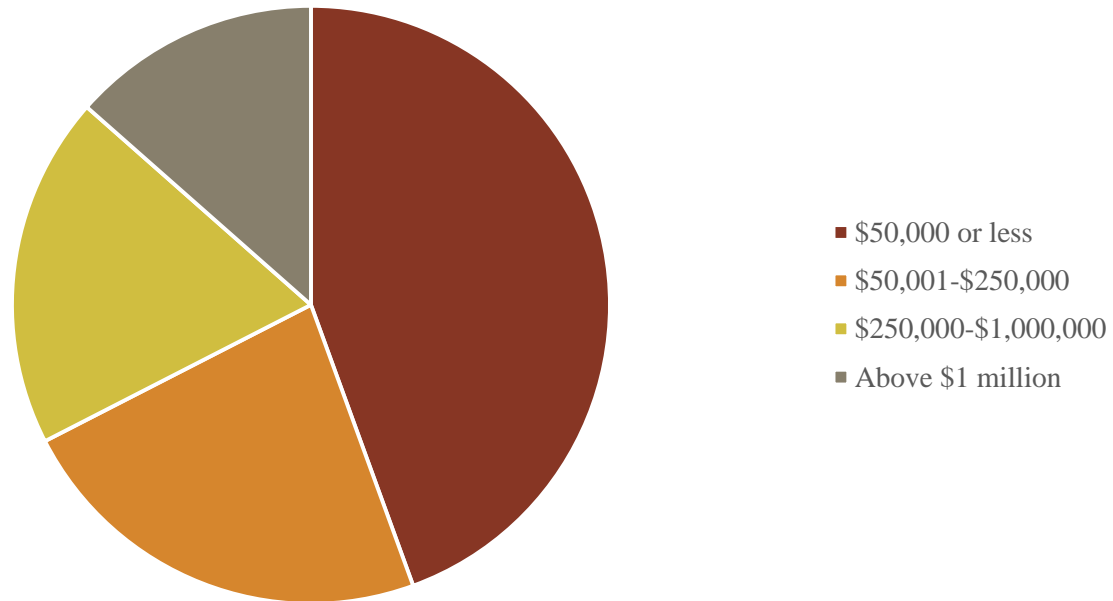
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NPO Annual Gross Income



The sector is overwhelmingly dominated by organizations with relatively small financial resources. 44% of the sector has annual gross incomes of \$50,000 or less.

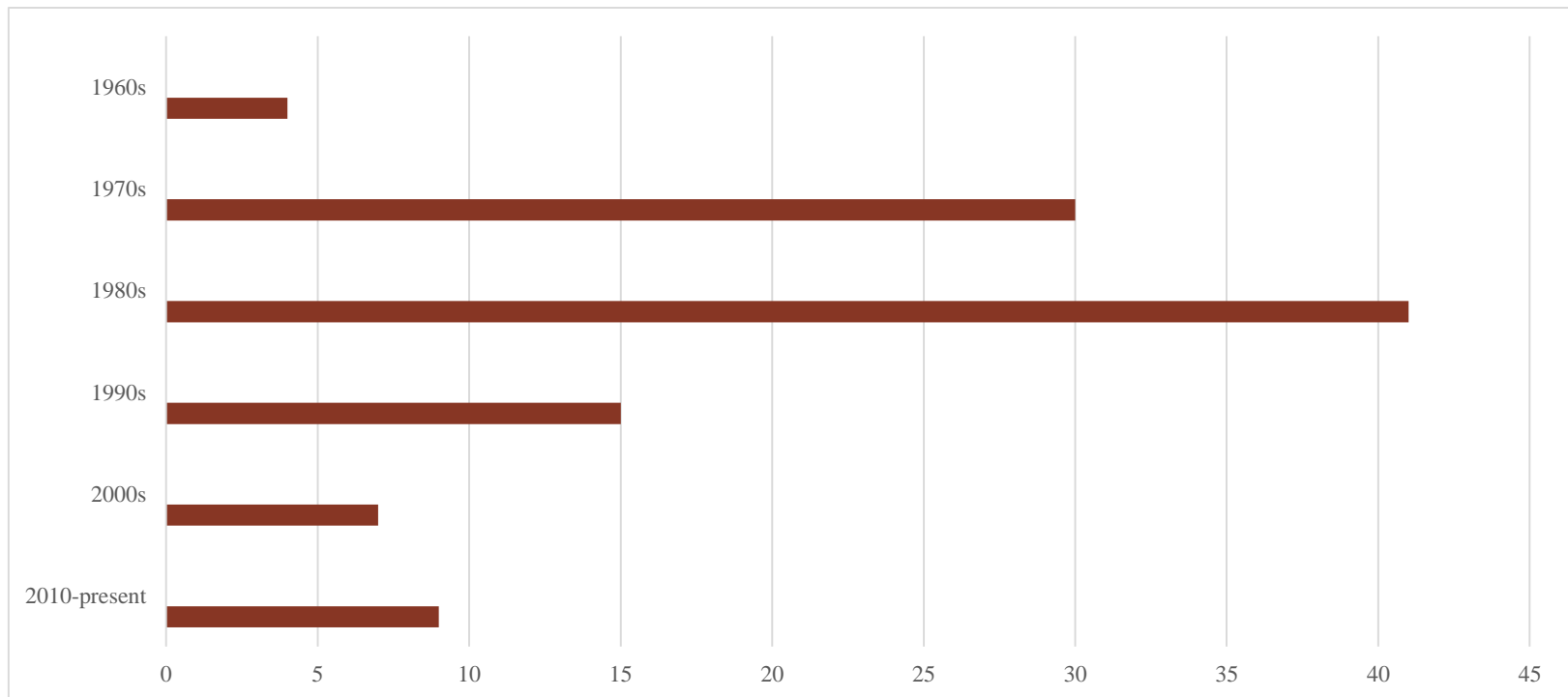
(data from 2012 Form 990, 990-N, 990EZ)



NPO Year of Formation



Growth of the NPO sector supporting state parks exploded in the 1970s and 1980s, largely coinciding with the growth of the state park system itself as well as larger trends in the growth of nonprofits.



Visitation & Revenue of Parks Supported by the NPO Sector



NPOs have the ability to reach nearly every visitor to California State Parks. (Source: California Department of Parks and Recreation. California Department of Parks and Recreation California State Park System Statistical Report Fiscal Year 2011-12)

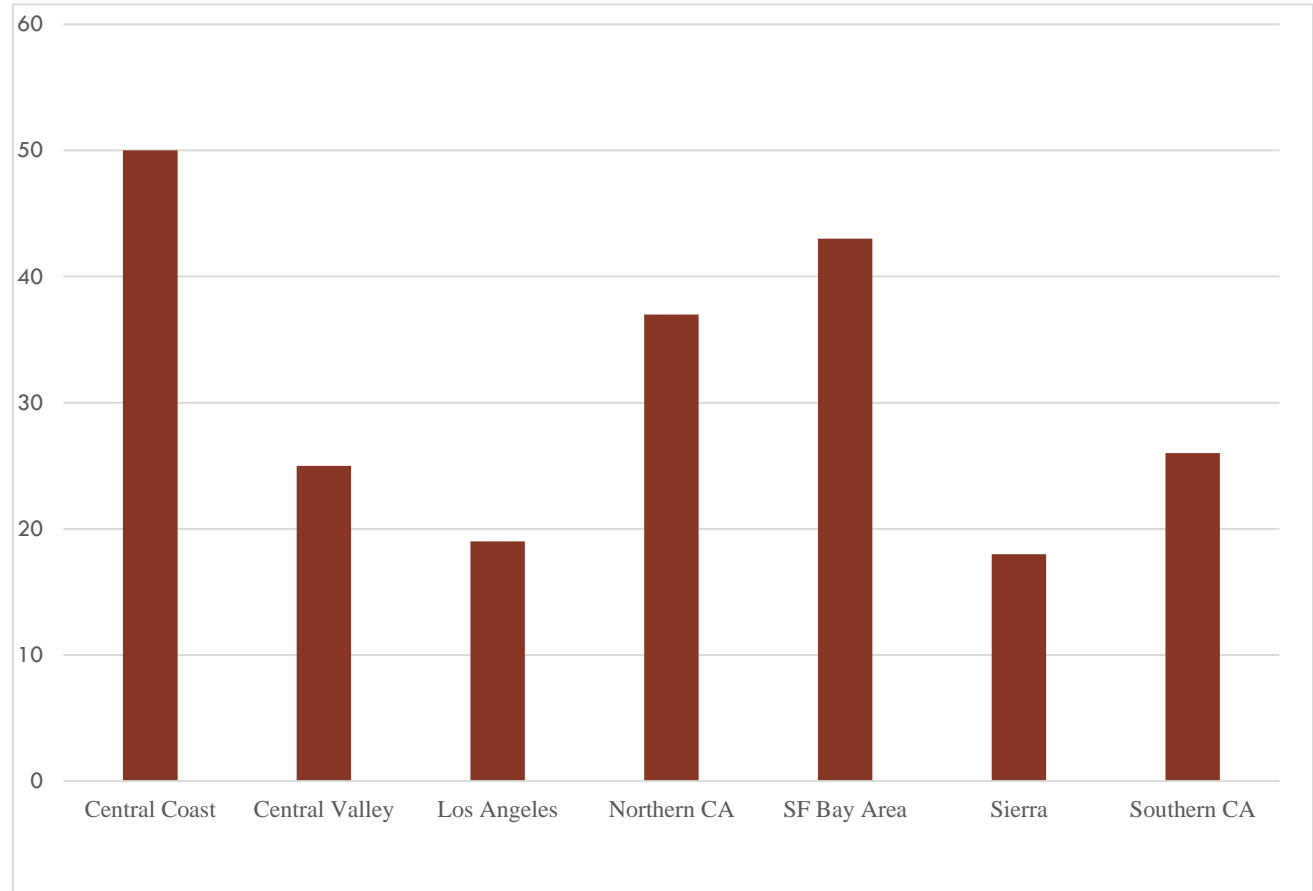
Visitation	FY 2011/12	% of total
Paid Day Use:	16,142,801	87%
Free Day Use:	40,620,453	94%
Camping:	5,468,517	90%
Total Visitation:	62,231,771	92%

Revenue	FY 2011/12	% of total
User Fees:	\$83,167,313.00	92%
Concessions:	\$10,569,409.00	83%
Misc:	\$19,202.00	17%
Total:	\$93,755,924.00	90%

Geographic Distribution of Parks Supported by NPOs

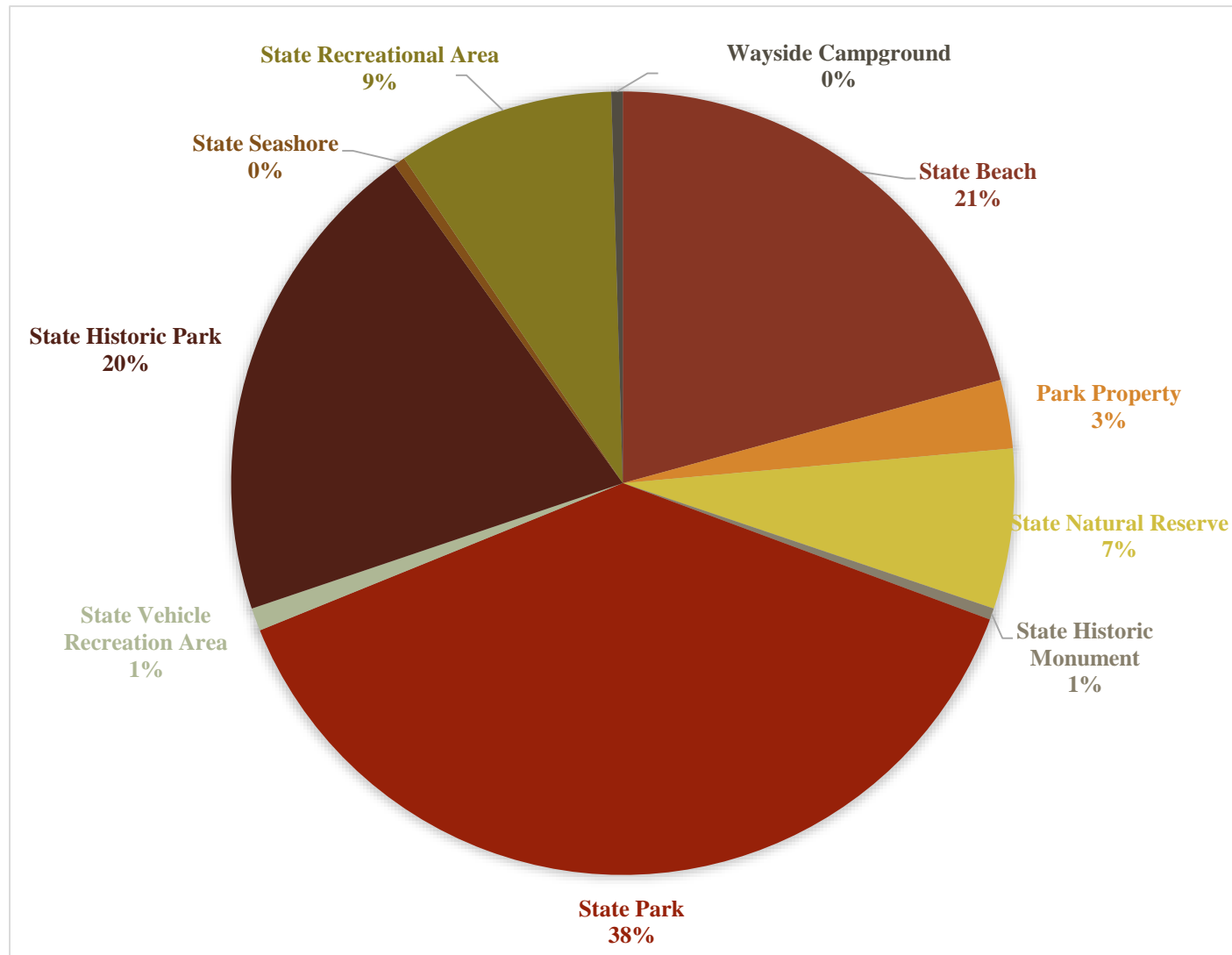


Based on this study, organizations are affiliated with parks that are located in 45 of 56 counties.



Park Type Supported by NPOs

NPOs support nearly every type of State Park Unit.



Overall NPO Sector Observations



This is a First-time baseline study that captures most of the NPOs. Future studies could capture more NPOs and enable us to view the change over time of their overall impact and trends.

- ❑ Sector has substantial fiscal resources
- ❑ Sector is weighted toward NPOs that have small budgets, which can be relative to the needs of the park(s) they serve
- ❑ Sector currently supports almost every State Park and Park type and has the ability to reach almost every visitor
- ❑ The growth and history of the sector is linked to the needs and history of CSPs

Sector Survey of Program Areas and Impacts – Section 2

To measure the impact of the sector all 126 NPOs were invited to participate in a survey of program areas that they support within California state parks.

Sector Survey of Program Areas and Impacts - Part 1



These numbers represent the responses of 54 groups or 43% of the NPO sector that supports DPR.

% of NPOs	# of NPOs	Program/Impact
94%	51	Fund and/or support park interpretive and volunteer programs (including planning)
87%	47	Provide outreach and community awareness for park events, amenities, programs, etc.
83%	45	Fund DPR interpretive projects (visitor centers, exhibits, etc.)
81%	44	Provide retail sales within and/or online at California's state parks (park store, firewood, etc.)
65%	35	Provide on-site interpretive/educational programs within California's state parks
65%	35	Provide advocacy on behalf of California's state parks and/or specific parks/unit(s)
63%	34	Fund DPR natural restoration and/or stewardship projects
61%	33	Fund DPR cost of operations of park facilities
61%	33	Fund access to California's state parks for under-served populations and schools

Sector Survey of Program Areas and Impacts – Part 2



Even very small NPO's will have a great diversity of programs and impacts.

% of NPOs	# of NPOs	Program/Impact
57%	31	Fund DPR cultural restoration and/or stewardship projects
50%	27	Provide free-for-service programs within California's state parks (ticked events, tours, seminars, outdoor education, sponsorships, etc.)
28%	15	Provide operations of entire or partial state park units (operating and/or management agreements)
17%	9	Fund and acquisition for DPR
15%	8	Fund and/or provide training for capacity building to other organizations that support state parks
15%	8	Provide grants/funding to other organizations for support of California's state parks
11%	6	Operate as a DPR concessionaire, in addition to a nonprofit role

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Program and Impact Observations



- ◆ As a sector NPOs are funding as well as managing almost all aspects of state parks programs, projects, and operations.
- ◆ In general, the programs of NPOs reflect the needs and opportunities of their partner park(s). Even small NPOs strive to provide a wide verity of programs and impact, sometimes sacrificing the ability to focus on greater success with fewer initiatives.
- ◆ Much of the sector's effort is focused on raising funds to turn over to DPR, who performs the actual programs and projects. Many NPOs fund specific DPR staff positions to do this work.
- ◆ Some of the sector's effort is focused on supporting and providing grants to other NPOs to perform programs and projects.
- ◆ With declining DPR budgets and increased visitation and needs, some NPOs have increased their support and efforts in their traditional roles within parks, in addition to taking on new roles and responsibilities.
- ◆ Historic Roles: Funding Interpretation, Stewardship & Restoration Programs and Projects, Advocacy, Interpretive Sales, Outreach, and Land Acquisition
- ◆ Emerging Roles: Funding Park Operations, Becoming Park Operators & Concessionaires, Provide Own Programs, and Fund Other NPOs

Nonprofit Sector Organizational Readiness and Best Practices – Section 3A

A key part of our study was a thorough Organizational Assessment (OA) of 22 groups from the sector. The objective of this project was to assess each group's organizational readiness and attention to nonprofit management best practices, and then provide a snapshot of all of the groups as a representation of the sector. In addition, this review will be used by CSPF's Technical Assistance Center to identify areas in need of capacity building for the sector.

Nonprofit Sector Organizational Readiness and Best Practices



Profile of the organizations that participated in an in-depth Organizational Assessment

Total NPOs to undergo a comprehensive Organizational Assessment (OA)	22
Sample size of the total NPO sector (126 organizations)	17%
Number of Board Members for all groups	138
Number of Total Employees for all groups	194
Number of groups with no employees	7
Number of groups with employees	15
Number of Members/Donors	4,364
Most recent year 990 Gross revenue	\$ 4,766,790.00
Most recent year 990 Net Assets	\$ 4,212,285.00
OA NPOs with a DPR Cooperating Association Contract	19
OA NPOs with a DPR Operating Agreement	6
OA NPOs with a DPR Concessions Contract	4
OA NPOs that are a Park Partner	1

Review of NPOs Best Practices

Governance



Lead contacts provided volumes of documents and answered many questions.

% of NPOs	Governance
100%	Bylaws
95%	Directors' and Officers' Insurance
90%	Standing Committees
86%	Conflict of Interest Policy
81%	Board Manual
81%	Cooperating Association Contract
67%	Strategic Plan
57%	Term Limits
52%	Human Resources Manual
29%	Board Giving Policy
29%	Business Plan

Review of NPOs Best Practices

Fiscal Management



Many organizations were able to improve policies and procedures during our work together.

100%	Fiscal Year
95%	Budget
95%	Current 990
90%	Accounting Software
76%	Cooperation Association Program Annual Report DPR Form 973
67%	Finance Committee
67%	Outside Accounting Services
43%	Current Audit
29%	Audit Committee
19%	Investment Policy

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Review of NPOs Best Practices Development



Each group that wanted, would get a fully detailed report to share with their board and CAL. When possible I performed a site visit and met with organization leadership.

71% [?]	Donor [?] Database [?]
67% [?]	Marketing [?] and [?] Outreach [?] Budget/Effort [?]
62% [?]	Fundraising [?] Committee [?]
43% [?]	Fundraising [?] Plan [?]
33% [?]	Case [?] Statement [?]
19% [?]	Current [?] Capital [?] Campaign [?]
14% [?]	Development [?] Staff [?]
14% [?]	Endowment [?]

[?]

Review of NPOs Best Practices

Operations



Every group was 100% trusting and transparent with sharing all aspects of their organization. This says volumes as to the character and nature of State Park NPOs.

71%	Employees
62%	Organizational Chart
57%	Point of Sale System
57%	Volunteers of the organization not of the park(s) they serve.
48%	Park Contingency Account (PCA) with State Parks
29%	Donor Agreement
29%	Volunteer Manual
21%	State Parks Lease Agreement
19%	Operations Agreement / Memorandum of Understanding
10%	Concessions Contract

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Levels of Organizational Development and Capacity



Upon analysis of the 22 organizations, their documentation and discussions with their lead contacts it arose that there are distinct stages of organizational development among the NPOs. It is often the transitions from one stage to the next that drives the need for capacity building.

Stage	Governing Body	Staff	Scope of Park Support	Income Types
1	Volunteer-led Board of Directors	None	Park or program specific	Donation box Membership Retail
2	Volunteer-led Board of Directors	Support staff	Park or program specific	Events Donation box Membership Retail
3	Volunteer-led Board of Directors	Executive Director	Park(s) and program(s) specific	Donation box Events Fundraising Grants Membership
4	Volunteer-led Board of Directors	Executive Director, and professional staff (Regional)	Multiple parks and programs	Donation box Event(s) Earned Income (Concessions, Operations, Programs) Fundraising Grants Investments Membership Retail
5	Volunteer-led Board of Directors	Executive Director, and professional staff (Statewide)	Multiple parks and programs	Donation box Fundraising Earned Income (Concessions, Operations, Programs) Event(s) Grants Investments Retail Membership

Organizational Readiness and Best Practices Observations



- ◆ As a sector the NPOs have need for capacity building in governance (board development and training) and financial management
- ◆ As a sector the NPOs have a need for capacity building for development and fundraising.
- ◆ NPOs have a wide array of operations and how they are structured to do their work with DPR. From small, all volunteer groups, to large complex organizations with 153 employees, their operational processes, structures and reporting are directly dictated by specific agreements with DPR, as well as regulatory statutes from the State of California, and the IRS.
- ◆ A critical time in the life cycle of an organization comes when they transition from an all-volunteer-led organization to hiring a first-ever Executive Director (ED)

Organizational Assessment Summary Survey of Values and Impressions – Section 3B

The second half of the process for each the 22 groups was to complete as Organizational Assessment Survey, which was completed by organization board members, staff and key stakeholders as well as representatives from their state park partners. The survey was created and distributed by RWWidera Consulting and analyzed by a team from the Center for Nonprofit Management.

Survey of Values and Impressions - Participation



A total of 209 respondents participated from all of the NPOs. This included 138 board members, 24 staff members, 80 stakeholders and 38 staff members from DPR. Each participant was asked to share what they felt were their own strengths, their vision for the future of their organization, and what they viewed to be organization's strengths, weaknesses, opportunities, and threats.

OA Survey Observations



1. The overall **strengths of each organizations center on people** – staff, board and volunteers – followed by programs and location.
2. The most commonly indicated **weaknesses or challenges included visibility and awareness in the community and financial stability.**
3. The survey respondents **for the most part were very optimistic and saw a number of opportunities for the future,** including the community around the park, expansion of board and volunteers, increased membership and greater visibility and awareness.
4. While some respondents mentioned the threat of natural disasters, **the major threats mentioned were around financial sustainability and recruitment of board members, members and volunteers.**
5. The role and relationship with DPR varied among the participants. In a number of the surveys, respondents indicated challenges working with DPR. In some cases, there appeared to be an issue with the staff. However in most cases, the concern was bureaucracy, red tape and slowness. The major concerns were around allocation of funds and time dedicated to the parks in the future. Generally when respondents identified the lack of secure state funding as an issue, they indicated a need to strengthen fundraising. **When presenting their ideal vision, a strong partnership with DPR was mentioned numerous times.**



Conclusion – NPOs have a vast and significant impact on California State Parks.



Conclusion – NPOs are working hard to build capacity and do more for California State Parks.



Conclusion – there is much more to learn about the role of NPOs and their impact.



Thank You

This report is built upon the hard work of many people. Most importantly we want to thank the lead contacts from the 22 NPOs who volunteered to work on this project and provided volumes of information to us as well as communication back to their organization. Thank you to Leslie Robin and Gigi Nang from the Center of Nonprofit Management for their excellent report on the OA Surveys. And, thank you to Traci Verardo-Torres, Gabrielle Ohayon and Kate Litzky from the California State Parks Foundation for your wisdom and support throughout this study.