



To: GOFERR Legislative Advisory Committee
June 24, 2020

From: New Hampshire Camp Directors Association
Ken Robbins, President

Thank you for the opportunity to continue advocating on behalf of the New Hampshire Youth Recreation Camp industry. I appreciate the chance to respond to the questions raised and to present a more complete picture of the Covid-19 pandemic's unique economic impact on summer camps.

Most Resident Camps are Closed for 2020

Just in the week since our original presentation, the count of overnight camps closed for the summer has risen from 91% to over 95%; only four resident camps remain on a path to open, albeit for an abbreviated season and with diminished enrollment. Half of our day camps still aim to operate, though they too will largely do so for fewer weeks and serving fewer participants than they had hoped. In all, 77% of the 160 licensed Youth Recreation Camps will keep their doors closed in 2020 as a result of COVID-19.

Catastrophic Impact – Resident Camps Face Enormous Losses and Two Years Without Revenue

For the camps who hopefully will still welcome campers this summer, the cost of operation is near-impossible to anticipate. There will be considerable added expense to conduct multiple rounds of Covid tests for campers and staff, acquire stores of disinfecting materials and protective equipment, and hire additional healthcare staff. There will be revenue sacrificed to reduce camper populations to meet state guideline requirements, and income lost from enrollment cancellations due to safety concerns. And the possibility of a mid-summer shutdown due to a resurgence of infections looms as a distinct possibility. Whether open or closed this summer, the impact will be felt near to equally across the camp community, without exception.

While no industry has been immune to the economic impact of Covid-19, for summer camps the timing has been catastrophic. Camps rely entirely on revenue collected in the winter and spring to fund not only their summer programming but those fixed expenses such as utilities, payroll, insurance, and property taxes that span that full calendar year. Due to the economic challenges facing most of society, most camps have refunded those payments collected for the summer of 2020. By the time camps have the opportunity to take payments for 2021, nearly two years will have elapsed without meaningful incoming revenue.

Put simply, for camps that are closed this summer, they have lost all of their operating revenue from the fall of 2019 through all of 2020 and are unlikely to collect any revenue until next spring – 22 months with **no** revenue.

Loss Calculation – Resident Camps Facing Significant Losses Over Two Year Period

Using straight-line assumptions derived from the rapid survey of camps shared last week (76 of 160 camps responding), we estimate 2020 lost revenue for all camps in New Hampshire to total approximately \$146 million, which represents 84% of their expected 2020 revenue. In addition, camps will have to fund operations to prepare for the 2021 season without adequate deposits to cover expenses from September 2020 to May 2021, which typically accounts for roughly 50% of a camp's annual expenses.

Consider the average grant awarded through the Main Street Relief Fund that reportedly represented 17% of anticipated lost revenue for 2020. Most of those businesses presumably had the opportunity to collect revenue in the 1st quarter before the onset of the pandemic and should have a similar opportunity in the 3rd and 4th quarters as the economy continues to reopen. Camps had and will have no such opportunity – the loss of revenue in the second quarter is an entire year’s lost opportunity for camps. What monies camps did collect were for services that they now cannot provide, and refunds are being requested and processed daily.

Using the one-year lost revenue figure of \$146 million, 17% of that is approximately \$24.8 million. Recognizing that camps’ losses are not limited to 2nd quarter revenue but to their entire earning potential for the year, we multiply that amount by all four quarters, reaching a total of \$99.3 million. In truth, we know actual losses will be at least \$146 million, not counting impacts to 2021 cashflow.

Other Funding Sources – Inadequate, Inapplicable, or Ineligible

It is true that many camps, depending on their design and organization, may have been or may still be eligible for some of the state’s already-established funding programs. However, camps faced the following issues in accessing that assistance:

- Many camps still expected to operate up to and beyond the deadline for both the Main Street and Childcare Relief Funds. However, COVID-19 related considerations have since forced most camps into suspension or closure. The opportunity to apply for these funds has passed for most.
- Day camps were instructed not to apply for Main Street Relief Fund grants, but rather told to use the Childcare Relief Fund. However, unless they ultimately opened, they were ineligible.
- The applications for all three programs – Main Street Relief, Childcare Relief, and Nonprofit Economic Relief – were not designed with the camping industry’s unique revenue and expense cycle in mind. Accordingly, the formulas used to derive grant request totals were dramatically out of step with actual anticipated losses.

Some camps did secure funding through those programs, though based on their design those grants will not come close to meaningfully addressing the losses incurred by camps that do not operate in 2020. 17% of an entire year’s lost revenue will still leave an overwhelming hole to climb out of. A more appropriate calculation of grant funding for any given camp should, of course, deduct awards previously made. Camps seek only what is appropriate and fair given their critical needs.

Bottom Line

A dedicated relief fund for Youth Recreation Camps is both practical and reasonable to sustain a century-old New Hampshire industry that, according to the American Camp Association’s “Economic Impact of Youth Camping in the Northeast” study made a direct contribution of \$113 million to New Hampshire’s economy in 2016. Camps in New Hampshire are major employers and in many cases are among the largest property taxpayers in a community.

To survive not just one summer but 22 months of no income will require considerable, situationally specific aid, and 66,000 New Hampshire children from 37,000 New Hampshire families – one in three children in our state – desperately need camp to look forward to next summer.

For most, the 2020 summer camp season in New Hampshire is already lost. Without immediate and significant aid, the 2021 summer camp season is also in doubt and the long-term viability of the summer camp industry in New Hampshire is in serious jeopardy.

Thank you for your attention and dedication to Youth Recreation Camps in New Hampshire.