

**74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5530-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Dingfelder  
Carrier – Senate: Sen. Devlin**

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**Action:** Do Pass as Amended and Be Printed A-Engrossed

**Vote:** 18 – 1 – 2

House – Yeas: D. Edwards, Galizio, Garrard, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc: Hanna

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Nelson, Schrader, Verger, Westlund, Winters

– Nays: Whitsett

– Exc: Morse

**Prepared By:** Lisa Pearson, Department of Administrative Services

**Reviewed By:** Susie Jordan, Legislative Fiscal Office

**Meeting Date:** 5/25/07

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**Agency**

Parks and Recreation Department

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**Biennium**

2007-09

**Senators:** Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,  
Schrader, Verger, Westlund, Whitsett, Winters

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Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

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Representative Mary Nolan, Co-Chair

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Senator Richard Devlin, Natural Resources Subcommittee Chair

## **Budget Summary\***

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
Lottery Funds	\$ 77,133,443	\$ 94,706,403	\$ 94,546,991	\$ -159,412	-0.2%
Lottery Funds Debt Service	13,586,549	4,235,070	4,235,070	0	0.0%
Other Funds	96,327,109	107,144,129	106,938,121	-206,008	-0.2%
Other Funds Debt Service	1,582,757	0	0	0	0.0%
Federal Funds	8,964,578	6,493,033	8,106,774	+1,613,741	+24.9%
Total	\$ 197,594,436	\$ 212,578,635	\$ 213,826,956	\$ +1,248,321	+0.6%

## **Position Summary**

Authorized Positions	866	884	883	-1
Full-time Equivalent (FTE) Positions	570.75	599.33	598.45	-0.88

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Department's services are supported by a combination of Lottery, Other and Federal Funds. Other Fund revenues mainly come from park user fees. The Lottery Funds were constitutionally dedicated to parks, recreation and heritage work by Ballot Measure 66 in 1998. Federal Funds are for specific programs and generally require matching funds. There were no revenue changes.

## **Summary of Subcommittee Action**

The Parks and Recreation Department provides and protects outstanding natural, scenic, cultural, historical and recreational sites for the enjoyment and education of present and future generations. The Subcommittee approved a total funds budget of \$213,826,956 and 598.45 full-time equivalent positions. The budget shifts the balance in allocating Lottery Fund resources for land acquisition, grant programs and facility investment. The budget emphasizes park land acquisitions and local grant programs to achieve goals that ensure Oregon communities' quality of life as Oregon's population grows and de-emphasizes enhancements that may not be sustainable in future budget years. Budget authority for grants and park acquisitions are increased while facilities maintenance and recreational programs and planning are decreased; this is to balance expenditures between operations, grants, maintenance and acquisitions. Historically, operations and maintenance were budgeted at greater levels than grants and acquisitions. The Subcommittee adopted the following budget note:

## **Budget Note**

If the Department of Administrative Services determines, based on the estimate of revenues scheduled to be released by the Department in December 2007 as required by ORS 291.342, that the total amount of the Lottery Fund revenues estimated to be available for the biennium beginning on July 1, 2007 is more than the total amount of Lottery Fund revenues estimated to be available for the biennium beginning July 1, 2007 in the end-of-session estimate that is reported to the appropriate interim committee, Parks and Recreation may request, in equal amounts, an increase in expenditure limitations to address backlog of facilities, park development and land acquisitions from the legislature during the proposed special session of the Legislature or Emergency Board.

### **Administration Program Unit**

This program unit includes the Director's Office, the assistant director of administration, agency financial services, and information services. This program unit is responsible for the overall management of the agency. It is the liaison for the Oregon Parks and Recreation Commission; it also provides staff support to the Commission. It includes the Reservations Northwest call center and agency-wide expenditures such as liability insurance. The Subcommittee approved a total funds budget of \$24,148,660 and 72.85 full-time equivalent positions. The base and essential budget level packages were approved without modification.

Package 806: Technical Adjustments was added by the Subcommittee. Three positions are moved from the State Fair program unit to the Administration program unit. It increases this program unit by \$430,340 total funds (\$142,011 Lottery Funds, \$288,329 Other Funds). The Subcommittee did not approve \$350,000 Lottery Funds in package 111: Wireless Infrastructure, Mobile Computers.

### **Heritage Conservation**

This program includes the assistant director for heritage conservation, the State Historic Preservation Office, and support for the Heritage Commission. The office administers federal and state programs for historic and archeological resource planning and preservation. The office also assists with the management, development, and interpretation of historic and cultural resources in the parks system. The Subcommittee approved a total funds budget of \$5,917,869 and 19.00 full-time equivalent positions. The base and essential budget level packages were approved without modification. Package 070: Revenue shortfalls was not approved; more recent information indicates federal heritage funds will be available; consequently \$642,898 Federal Funds was restored.

Package 108: Heritage Program Staffing Needs was approved in the amount of \$249,908, but the funding was shifted from Lottery Funds to Other Funds. This package restores two limited duration positions and makes them permanent. Both are Program Analyst 2 positions. One position provides archaeological expertise and the other position provides technical assistance to cities and counties regarding grant projects, downtown revitalization, heritage tourism and local historic preservation programs. The positions have existed as limited duration since the 2003-05 biennium.

The Subcommittee approved package 113: Oregon Sesquicentennial Planning in the amount of \$419,000 total funds (\$269,000 Lottery Funds, \$150,000 Other Funds). This package provides resources to continue planning for the 2009 Oregon Sesquicentennial Celebration. Funding was provided for this purpose in the 2005-07 biennium but phased-out. The Heritage Commission is leading the planning effort. The funding will support the salary and benefits of the private non-profit Oregon 150 organization staff, as well as associated costs for the staff.

The Subcommittee did not approve \$500,000 Lottery Funds in package 106: Increased Funding for Preservation Partners. Package 115: Oregon Mainstreet Program in the amount of \$750,000 Lottery Funds was not approved in this agency's budget but is expected to be considered separately in another policy program area with a different fund source. Package 116: Oregon Historical Society is also expected to be considered separately, consequently, \$2,818,000 Lottery Funds was removed from this program.

Package 806: Technical Adjustments was added by the Subcommittee. This package adjusts expenditure categories to appropriately reflect Federal Fund expenses for positions; it also includes additional expenditure limitation based on updated Federal Funds expectations. The net effect is a \$390,351 total funds increase.

### Grants

This program administers five grant programs: the All-Terrain Vehicle grants, Land and Water Conservation grants, local grants, the Recreational Vehicle County Opportunity grants, and Recreational Trails grants. The Subcommittee approved a total funds budget of \$30,236,250 and 10.00 full-time equivalent positions. The base and essential budget level packages and Package 070: Revenue Shortfalls were approved without modification. Package 107: Investing in Recreation for Oregon's Youth in the amount of \$1.5 million Lottery Funds was not approved.

The Subcommittee approved package 103: Increased Funding for Recreation Partners in the amount of \$7,283,627 Lottery Funds. This package would restore reductions in Package 070: Revenue Shortfalls and increase grant funding for the Local Grant program, and also provide \$200,000 for repair, maintenance and restoration of veteran's and war memorials. Restoration of one permanent Program Analyst 3 position is also approved.

The Subcommittee approved package 109: Increased Funding for Off-Road Enthusiasts in the amount of \$2,363,598 Other Funds. This package increases the expenditure limitation available to award grants for property acquisition, law enforcement and medical services, and operations/maintenance of existing areas. All-Terrain Vehicle fees and fuel tax revenue balances fund the package.

Package 110: Increased Off-Road Safety through Training was approved in the amount of \$142,358 Other Funds. This package establishes one Program Analyst 2 position to act as an All-Terrain Vehicle Program Coordinator; this person would administer the safety outreach program. The package provides resources to work with law enforcement to improve safety and develop programs to promote and educate people about safe All-Terrain Vehicle use. The package is funded with ATV fees and fuel tax revenue balances.

Package 806: Technical Adjustments was added by the Subcommittee. This package adds Federal Funds expenditure limitation based on updated information about the availability of federal resource through the Land and Water Conservation Fund. The additional limitation will provide more funding to counties. The impact is \$418,280 Federal Funds.

## Acquisitions

This program acquires new properties and is funded from Measure 66 Lottery Funds. The Subcommittee approved a total funds budget of \$22,139,224 and 0.88 full-time equivalent positions.

The Subcommittee approved package 102: Investing for the Future in the amount of \$14,639,224 Lottery Funds. Originally, this package increased the current allocation of Lottery Fund resources for land acquisition by \$3.5 million Lottery Funds; the Subcommittee added \$11,139,224 Lottery Funds. The department's responsibilities include providing adequate park properties for Oregon's population, as identified in the Oregon Shines benchmarks and recent department work on performance measures. The department has a goal of 35 acres of park property per 1,000 citizens.

## Operations

This program operates the state park system on a daily basis. Scenic waterways, ocean shores, resources and land are managed by the program. Increased use of the park system results in a greater need for riparian and wetland preservation and restoration, management of targeted threatened and endangered species and habitats, watershed health issues, and landscape scale ecosystem management. The Parks and Prisons program is also part of this program. The Subcommittee approved a total funds budget of \$76,614,675 and 422.72 full-time equivalent positions. The base and essential budget level packages were approved without modification. The Subcommittee did not approve \$1 million Lottery Funds in package 114: Willamette River Legacy.

The Subcommittee approved package 101: Operation Funding for Recent Investments in the amount of \$1,406,573 Other Funds and 8.81 full time equivalent positions. This package adds resources for recent investments in new park properties or programs. It is entirely funded with revenues from existing park user fee balances. Positions are added for the Cougar Valley State Park, Depoe Bay Whale Watch Center, Golden Townsite, Kam Wah Chung Heritage Site, and L.L. Stub Stewart State Park. Positions are also added to administer and maintain Powder House Cove, Roberts Bay and the upper wildlife/recreation areas at the Prineville Reservoir. The Subcommittee adjusted the original package to remove empty Other Fund limitation resulting from an expenditure category change for a payment to the Department of Forestry.

Package 104: Investing for Infrastructure Protection was approved in the amount of \$1,500,642 total funds (\$489,000 Lottery Funds, \$1,011,642 Other Funds). This package provides resources for contractors to evaluate the maintenance needs of parks assets, including trails, paved areas and bridges. Parks staff would assist, but no additional positions are requested. The package also begins to set aside funding for ongoing preventive maintenance, with some of the fund used for projects in the 2007-09 biennium.

Package 806: Technical Adjustments was added by the Subcommittee. This package changes the appropriated fund type for \$120,000 from Federal Funds to Federal as Other in order to properly account for work on Bureau of Reclamation park land at the Prineville Reservoir. It also reduces Other Funds Services and Supplies by \$240,781 to fund positions in the Recreation Programs and Planning unit.

## Facility Investments

This program has responsibility for long-term investment in park infrastructure. In the 1997-99 biennium, \$15 million of Lottery Revenue Bonds were issued to begin working through a backlog of parks maintenance and improvement projects. After the passage of Measure 66 in 1998, the legislature began allocating \$15 million of the Measure 66 funds to the facility investments program each biennium. The Subcommittee approved a total funds budget of \$29,949,565 and 15.50 full-time equivalent positions. The base and essential budget level packages were approved with modification as described in package 802. The Subcommittee did not approve \$1 million Lottery Funds in Package 114: Willamette River Legacy.

The Subcommittee approved package 101: Operation Funding for Recent Investments in the amount of \$134,875 Lottery Funds. This package establishes one permanent Procurement and Contracts Specialist 3 position for contracting due to increases in workload following the addition of new park properties, changes to state contracting administration, and the addition of the State Fair to the department's portfolio.

Package 102: Investing for the Future was approved in the amount of \$7.5 million Lottery Funds. This package provides resources for development of investments, increases the budget for the maintenance and repair backlog, and address project management. It funds development of Crissey Field, Stub Stewart, Teriadun and Thompson's Mills sites; and provides \$300,000 for continued planning for the Kam Wah Chung heritage site in John Day. It does not include additional funding for Cougar Valley State Park in Tillamook County, however, the Department is not precluded from continuing planning and design work within the essential budget level for this project.

Package 802: Ways and Means Co-Chair 2% Reprioritization was added; it reduces the Essential Budget Level for backlog facilities maintenance projects by \$4,190,811 million Lottery Funds. This results in a facilities backlog base budget of \$13 million Lottery Funds, which is an 18.2 percent increase from the 2005-07 legislatively approved budget level of \$10,621,232. The remaining funds in the Facilities Investment program fund the parks and prison program; enhancement projects; cultural projects, yurts and cabins and project management.

## Recreation Programs and Planning

The Recreation Programs and Planning unit was added during the 2005-07 biennium to emphasize the agency's responsibility for encouraging outdoor recreation in Oregon. This new unit includes master planning and recreation planning, Interpretive Programs, Trails Programs (water and land based), Water-based Recreation, Bicycling and Marketing and Public relations. It also connects with Friends Groups (volunteers) efforts and develops State Parks policies and procedures, such as establishing prices for state park services and providing outreach options to make parks more accessible and enjoyable for customers. The program also acts as a liaison to other federal and local governments and with recreation stakeholders. This new program unit includes elements previously housed in the Administration and Operations program units. Public services, including marketing, beach safety, public relations and volunteer services were moved from Administration, while master, strategic, long-term, and land use planning were moved from the Operations program unit. The Subcommittee approved a total funds budget of \$6,476,403 and 21.50 full-time equivalent positions. The base and essential budget level packages were approved without modification.

The Subcommittee approved Package 101: Operation Funding for Recent Investments; this package adds \$129,480 Other Funds and one Limited Duration Natural Resource Specialist 3 position to work on the Ocean Shore Management Plan, the Habitat Conservation Plan for Western Snowy Plover, and the Ocean Policy Advisory Committee. This is funded through a reduction to Services and Supplies in Package 806 in the Operations program unit.

Package 105: Invest in Bicycle Recreation Program was approved, this package adds \$111,301 Other Funds and a Limited Duration Program Analyst 1 position to administer and coordinate bicycle trail programs, work with community-based bicycle advocacy groups, and promote bicycle tourism in Oregon. The position will initially focus on developing an inventory of biking information for communities around Oregon which can be used by Travel Oregon to market Oregon to tourists. Also, the program will work on developing the northern part of the Willamette Scenic Bikeway from Champoeg State Park through Portland. This is funded through a reduction to Services and Supplies in Package 806 in the Operations program unit.

Package 112: Trails Planning, Support, and Improvement was approved in the amount of \$724,000 Lottery Funds. This package adds resources to extend a rails-to-trails project (Cazadero Trail), support trails along the Rogue River, develop more of the Banks-Vernonia rails-to-trail, and continue developing a state trails resource webpage.

### State Fair Operations

Oregon State Fair and Exposition Center (State Fair) conducts an annual state fair and operates the fairgrounds as year-round fair and exposition center. It is located in Salem. The State Fair had been a separate agency; however recurring financial problems over the years resulted in the Legislature considering alternative arrangements. House Bill 3502 (2005) moved the State Fair to the Parks and Recreation Department. The Subcommittee approved a total funds budget of \$14,109,240 and 36.00 full-time equivalent positions. There are no policy packages in this program.

Package 806: Technical Adjustments was added by the Subcommittee. Three positions (3.0 FTE) from the State Fair program unit are moved to the Administration program unit, reducing this program unit by \$430,340 total funds (\$142,011 Lottery Funds and \$288,329 Other Funds). In addition, a technical adjustment adding \$300,000 Other Funds was approved to implement a preventative maintenance program to prevent backlog growth, maintain and protect assets during the life cycle the assets were designed for. Other Fund revenue comes from the agency's sinking fund for this purpose. The net result of these technical adjustments is \$130,340 total funds reduction.

### State Fair Debt Service

During the 1999-2001 biennium, with assistance and approval from a legislative task force, the agency developed a facilities improvement plan. The construction and renovation projects in this plan, called the Master Plan, are designed to increase the market capacity and profitability of the State Fair's facilities. Phase One of the plan, which included the renovation of several buildings and the replacement of two structures, is complete. Phase Two of the plan, which built a 5,000 seat Multipurpose Pavilion suited for a variety of shows and events, was completed in late summer 2004, in time for the 2004 State Fair. A total of \$20.5 million in Lottery revenue bonds have been sold to support these two phases. House Bill 3502 (2005) added responsibility for the Debt Service for these bonds to the Parks and Recreation Department portfolio. The Subcommittee approved a total funds budget of \$4,235,070 and no full-time equivalent positions. There are no policy packages in this program.

## **Summary of Performance Measure Action**

The Subcommittee approved 13 key performance measures (KPM), one of which is new but common to all agencies with commissions. The new KPM encourages commissions to use best practices. Of the remaining 12 KPM, two were changed. A minor change to KPM 3 (citizen satisfaction) removes a plus sign from its target and increased the target by 2%. The target for KPM 6 was increased by 7.8 percentage points in FY 2008 and 11.8 percentage points in 2009 to reflect the increased budget and emphasis on park land acquisition. The Subcommittee adopted the following budget note.

### **Budget Note:**

The Parks and Recreation Department is directed to update the Legislative Fiscal Office quarterly on its progress in revising its key performance measures. The Legislative Fiscal Office may request the Department to seek advice or concurrence from an appropriate interim committee on its key performance measures.

See attached Legislatively Adopted 2007-09 Key Performance Measures form.