

OREGON PARKS AND RECREATION DEPARTMENT

The Oregon Parks and Recreation Department (OPRD) manages state parks and acquires additional state park lands to develop; protects Oregon’s ocean shore state recreation area and state scenic waterways; works with the all-terrain vehicles community; and develops non-motorized recreation trails. The Department also engages in heritage conservation through a variety of commissions and federal grant administration. The Oregon Exposition Center was made a state park in 2005 and includes the annual state fair as well as year-round events management.

OREGON PARKS & RECREATION DEPARTMENT	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
Lottery Funds	86,441,978	81,647,819	86,892,780	88,155,577	0	6.4%
Other Funds	86,786,404	99,870,258	104,885,962	112,859,681	0	5.0%
Other Funds Nonlimited	0	3,075,139	0	0	0	-100.0%
Federal Funds	8,639,850	15,918,146	8,773,998	9,978,541	0	-44.9%
TOTAL FUNDS	\$181,868,232	\$200,511,362	\$200,552,740	\$210,993,799	\$0	0.0%
Positions	879	878	873	865	0	-0.6%
FTE	603.07	603.03	601.29	599.31	0.00	-0.3%

Major Revenues	Budget Environment	Comparison by Fund Type																				
<ul style="list-style-type: none"> 7.5% of net Lottery revenue constitutionally dedicated, most recently by Ballot Measure 76 (2010) Park user fees for overnight and day use facilities and reservations Recreational Vehicle and All-Terrain-Vehicle license and permit fees plus some Transportation Operating Fund from ODOT Oregon State Fair and Exposition Center Federal funds from Department of Interior National Park Service, Federal Highway Administration, and U.S. Fish and Wildlife as well as miscellaneous federal grants for specific project work 	<ul style="list-style-type: none"> Flat or declining Lottery revenues not keeping pace with parks maintenance demands Balancing Oregonians’ wishes to acquire additional park acreage against future associated additional operational and maintenance costs Growing deferred maintenance backlog 	<p>OREGON PARKS & RECREATION DEPARTMENT</p> <table border="1"> <caption>Revenue Data (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$86.4</td> <td>\$86.8</td> <td>\$8.6</td> </tr> <tr> <td>2011-13</td> <td>\$81.6</td> <td>\$102.9</td> <td>\$15.9</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$86.9</td> <td>\$104.9</td> <td>\$8.8</td> </tr> <tr> <td>2013-15 GB</td> <td>\$88.2</td> <td>\$112.9</td> <td>\$10.0</td> </tr> </tbody> </table>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$86.4	\$86.8	\$8.6	2011-13	\$81.6	\$102.9	\$15.9	2013-15 CSL	\$86.9	\$104.9	\$8.8	2013-15 GB	\$88.2	\$112.9	\$10.0
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MAJOR CHALLENGES AND DECISION POINTS1. Two **fee issues**:

- a. New pet friendly accommodations fee – total revenue \$35,410.
- b. Increase fees for full hook up sites (yurts, deluxe cabins, and tepees), electric hook up sites, horse camp sites with hook ups, extra vehicle charge, primitive sites, and rustic cabins – total \$1.6M.

2. The 2005 Legislature moved the State Fair and Exposition Center from a stand-alone state agency to State Parks to be funded with fees, gate receipts, and dedicated lottery funds. The state fair can be managed to break even or show a small profit. The exposition center, operating the other 50 weeks of the year, does not break even. It is subsidized by dedicated lottery funds.

3. Measure 76 was passed in 2010 and reauthorizes the dedication of 7.5% net Lottery proceeds to Parks. Lottery Funds revenue continues to decline or not grow enough to meet cost increases. Flat and/or falling lottery revenue forecasts mean agency programs will have to be cut as costs increase or those costs will need to shift to other sources of funding, such as park user fees. The Governor's budget adjusts Lottery revenue and expenses downward \$1.5 million in partial recognition of the \$7 million December 2012 Lottery revenue forecast drop. It also reduces a deferred maintenance package, and shifts funding from Measure 76 lottery to non-dedicated lottery. (See #5)

4. There is constitutional authority, but not a requirement, to add new state parks using Measure 76 lottery funds. Between existing parks and new ones, there is a growing need for current and deferred facility maintenance. And while the Department has spent \$500 million on deferred maintenance projects since 1998, there is still a long list of projects. Funding is not keeping pace with these maintenance needs. Parks may need to consider a combination of reducing the rate of adding new state parks, fee increases, and additional borrowing to catch up.

5. The Governor's 2013-15 Lottery Funds budget is 8% higher than the 2011-13 legislatively approved budget (LAB), despite the December 2012 revenue forecast decline. Lottery operating budget is 3% higher, debt service is 7% lower. It includes \$2 million for facilities maintenance as well as a reduction of \$0.4 million for PERS and administrative savings.

The Governor added non-dedicated Lottery Funds for two purposes: \$3.8 million for operations of the State Fair and Exposition Center (another offset to the \$7 million December 2012 revenue forecast decrease) and \$5 million in lottery bond proceeds to pass through to a local entity for Willamette Falls work. Associated debt service in 2013-15 is \$0.5 million non-dedicated Lottery Funds.

The Governor's total funds budget is \$10.5 million (5%) greater than the 2011-13 LAB.