

Parks and Recreation Department

	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 CSL LFO	2015-17 Governor's
General Fund	-	980,000	1,015,299	-
Lottery Funds	75,351,082	86,964,694	88,459,511	79,518,186
Other Funds	93,035,795	112,681,149	110,934,206	95,313,562
Other Funds Non-Limited	4,624,178	-	-	-
Federal Funds	8,445,700	11,858,367	9,193,806	11,077,385
Total Funds	181,456,755	212,484,210	209,602,822	185,909,133
Positions	876	862	865	846
FTE	603.63	592.15	593.39	575.26

* includes Emergency Board and administrative actions through December 2014

Program Description

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;
- provides and manages the Land and Water Conservation Fund and Local Government and Community Opportunity grant programs;
- works with the all-terrain vehicles community through safety improvement and grant programs;
- develops non-motorized recreation trails; and
- as the State Heritage Preservation Office, 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. The Legislature, in 2013, authorized establishing an independent public corporation to assume management of the Fair and Exposition Center. The transfer from OPRD was completed by early 2015.

CSL Summary and Issues

Current Service Level for Parks is a 1.7% General/Lottery Funds increase from the 2013-15 Legislatively Approved Budget; Total Funds, however, are a 1.4% reduction from 2013-15.

Policy Issues

- Lottery Funds revenue, dedicated to Parks in 2010's Ballot Measure 76, does not keep pace with rising expenses. These lottery dollars also seem to contribute to the perception that Parks has sufficient resources to take on other entities that, on their own, are not fiscally solvent. A further requirement is that some of the funding be used for new acquisition, which adds to development, staffing, resource, and maintenance needs.

The Lottery Funds budget is adjusted quarterly in response to new revenue forecasts, to tie to 7.5% of net lottery proceeds, per Ballot Measure 76. It was last adjusted in November 2014, which forecast is assumed in the Governor's budget. The change from CSL to Governor's budget is a reduction of \$9 million (10%), of which \$4.2 million is due to reduced Lottery revenue forecasts. The remaining reduction is to ensure an appropriate ending balance for obligated local government grants, cash flow, and salary and benefit adjustments. The agency's Legislatively Adopted Budget for 2015-17 will use the June 2015 forecast. The change due to the March 2015 forecast would add about \$467,500.

- A 2013-15 change to RV revenue distribution, with an increase to the counties offset by an equal reduction to state parks, has left a deficit in Parks' budget. Effective April 2014, the county share increased from 35% to 40%. On July 1, 2015, the county share will increase to 45%. The \$3 million revenue loss to Parks in 2015-17 (65% to 55%) will likely be felt in deferring facilities maintenance and strategic service reductions.

Related to this issue, HB 5034, the agency 2013-15 appropriation bill, included a budget note that directed Parks to participate with county park providers to address state and county parks infrastructure, identify gaps in service provision, develop more efficient ways to deliver services, and identify parks that could be more efficiently managed and result in a net savings if managed by another jurisdiction. As directed, Parks and the Association of Oregon Counties reported to the Legislature in advance of the February 2014 session on the Oregon Solutions effort and recommendations to address the budget note.

- Deferred Maintenance In 1998, the State issued \$15 million in Lottery bonds to address \$97 million in deferred maintenance. The agency has also used BM66/76 dedicated lottery funds for deferred maintenance. As a result, the original backlog was reduced to \$30 million. Other maintenance needs, however, have built up over the years and add \$44 million to that total, leaving Parks with a current \$74 million deferred maintenance backlog.

Other Significant Issues and Background

- The State Fair and Exposition Center was transferred from Parks to the Oregon State Fair Council by SB 7 (2013). Parks' Agency Request budget eliminated all General Fund, \$1 million, associated with the State Fair/Expo Center. The Executive branch understanding was that the Department of Administrative Services budget would increase by the same amount of General Fund to provide support to the Oregon State Fair Council. The Legislature will determine disposition of DAS's policy package. To assist the Oregon State Fair Council to be successful, the debt service for bonds issued for maintenance and construction of certain facilities on the fairgrounds will remain with Parks' budget. The remaining obligation, \$2.5 million, will be retired in the 2017-19 budget cycle.

The Oregon State Fair Council developed a request for \$11 million General Fund that was not entered into any agency request budget, and thus was not available for the Governor's consideration. OPRD estimates Fair and Exposition Center revenues at about \$12 million per biennium. Expenses have been higher than revenue for the Expo Center year-round activity; the Fair has recently broken even or earned a profit.

- The Willamette Falls Legacy Project received \$5 million in bond proceeds in Parks' 2013-15 budget for site rehabilitation surrounding the Falls in Oregon City. Debt service for the bonding will reside in Parks' budget, payable from non-Measure 76 Lottery Funds.

The bill also included a budget note for Parks directing that if local or regional public sponsors of the Willamette Falls rehabilitation/renewal project acquired property by Willamette Falls, the partners and Parks would work to designate the site as a State Historic Site. If the local and/or regional public sponsors do not acquire the property adjacent to Willamette Falls, Parks would try to acquire the property necessary for public access. The local partners have acquired property and identified public access easements. Parks will need to continue work with the local partners to ensure that access to the historic site is maintained.

- Other Funds expenditures drop about \$15 million from CSL to Governor's budget, a 14% reduction. Most of that reduction is due to the State Fair moving from a Parks division to the Oregon State Fair Council. \$3 million of the reduction is due to the redistribution of RV funds to the counties.
- Emergency Board actions in 2013-15 consisted of 4 requests to apply for federal grants for Historic Preservation, Historic Columbia River Highway, and Wetlands Acquisition
- There were no comprehensive Parks audits performed in 2013-15.

Co-Chairs' Budget Framework Discussion

No specific budget details or issues were identified in the Co-Chairs' budget framework for this agency.