

HB 5028 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: Matt Stayner, Legislative Fiscal Office

Parks and Recreation Department

2017-19

PRELIMINARY

Budget Summary*

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
Lottery Funds Limited	\$ 81,577,319	\$ 96,672,361	\$ 100,325,632	\$ 18,748,313	23.0%
Lottery Funds Debt Service Limited	\$ 1,682,356	\$ 3,047,609	\$ 3,047,609	\$ 1,365,253	81.2%
Other Funds Limited	\$ 111,939,526	\$ 91,628,295	\$ 96,656,838	\$ (15,282,688)	(13.7%)
Federal Funds Limited	\$ 12,874,261	\$ 9,871,343	\$ 16,397,848	\$ 3,523,587	27.4%
Total	\$ 208,073,462	\$ 201,219,608	\$ 216,427,927	\$ 8,354,465	4.0%

Position Summary

Authorized Positions	847	845	866	19
Full-time Equivalent (FTE) positions	576.26	575.20	595.17	18.91

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Parks and Recreation Department (OPRD) budget has not relied on General Fund since the beginning of the 1999-2001 biennium. OPRD depends on Lottery Funds and Other Funds. Constitutional amendments in 1998 and 2010, dedicated 7.5 percent of net Lottery proceeds to the agency. Other Funds revenues come mainly from park user and other fees, transfers of recreational vehicle registration and all-terrain vehicle fuels tax revenues. The department also receives federal grants. Revenues and expenditures were updated to reflect the May 2017 state Lottery Funds revenue forecast. The budget provides ending balance reserves for salary and benefit increases, operating cash and other specific dedications totaling \$49.0 million.

Summary of Natural Resources Subcommittee Action

The mission of OPRD is to provide and protect outstanding natural, scenic, cultural, historic and recreational sites for the enjoyment and education of present and future generations. The park system includes more than 108,499 acres of land. The department receives direction from a seven-member Governor appointed Commission. The department is constitutionally guaranteed 7.5 percent of net Lottery proceeds, 12 percent of which are dedicated to funding local government park grants. The Subcommittee approved a budget of \$216,427,927 total funds and 866 positions (595.17 FTE). This includes \$101,159,797 Measure 76 Lottery Funds and \$2,213,444 non-dedicated Lottery Funds. The total funds budget is a 4.0 percent increase from the 2015-17 Legislatively Approved Budget and a 7.6 percent increase from the 2017-19 current service

level. Lottery Funds are 24.2 percent higher than the 2015-17 biennium Legislatively Approved Budget and 3.7 percent higher than the 2017-19 current service level.

Director's Office

This program unit is responsible for the overall management of the agency. It is the liaison and provides support for the Oregon Parks and Recreation Commission. The unit provides policy direction for agency programs and activities and coordination with the Governor's Office, Legislature and other government agencies. The Director's Office also reviews agency programs, conducts annual internal audits and coordinates rulemaking in its efforts to improve agency performance. The Director's Office also includes the internal audit function. The Subcommittee approved a total funds budget of \$1,865,037 and four full-time equivalent positions (4.00 FTE).

Central Services Program

This program includes agency financial services, public information services, personnel and information services. The Subcommittee approved a total funds budget of \$33,046,218 and 76.85 FTE. Services include budget and fiscal resources management, staff training, information technology services and centralized business services such as fleet and purchasing management. It also includes the safety programs and the customer information call center. Debt service for the Oregon Exposition Center, which includes the Oregon State Fair, is paid from this program. The Exposition Center debt service amount for the 2017 -19 biennium is \$834,165 Measure 76 Lottery Funds. This program also pays the debt service for three projects using \$2,213,444 non-dedicated Lottery Funds. The projects include:

- Willamette Falls: \$1,392,148 for the local development of an old paper mill site on the bank of Willamette Falls in Oregon City,
- Forest Park: \$285,945 for updates to Forest Park in Portland, and
- Main Street program: \$535,351 to fund local grants.

The Subcommittee recommended Package 801, LFO Analyst Adjustments. This package adds \$1,042,567 Lottery Funds revenue to reflect the May 2016 state Lottery Funds revenue forecast. The package includes two adjustments: one for the 2015-17 biennium forecast and another for the 2017-19 biennium forecast. The 2017-19 biennium beginning balance is increased by \$350,242 to reflect the anticipated 2015-17 biennium ending fund balance resulting from the forecast. The package also adds \$1,042,567 above the 2017-19 current service level Lottery Funds revenue transfer to OPRD; this reflects the increase of revenues forecasted to accrue in the 2017-19 biennium.

Package 812, Vacant Position Elimination was approved. This package eliminates three long-term vacant positions (2.25 FTE) resulting in a reduction of \$285,709 total funds.

Park Development

This program combines the acquisitions and facility investments programs. The resulting program acquires new properties according to an Investment Strategy that provides a framework for prioritizing additions to the parks system. The Engineering Division designs and engineers projects, surveys park land and oversees construction for new parks and for maintenance and improvement of current properties. The subcommittee approved a total funds budget of \$24,483,645 and 13.00 FTE.

The Subcommittee recommended Package 107, Invest to Maintain Parks. This package provides dedicated Lottery Funds expenditure limitation for park maintenance.

Direct Services

This program manages the park system including daily park services, functions and routine maintenance. It manages land, state scenic waterways, ocean shores and natural resources. It includes engineering services for operations, parks safety and risk management and operations support. When possible, the program uses the inmate work crews through the Parks and Prisons program, which began in the 1997-99 biennium. It manages threatened and endangered species, habitats and watershed health issues on park land. This program has responsibility for park planning functions including master, strategic, long-term, land use and recreational planning for land and water-based trail systems and volunteers. The Subcommittee approved a total funds budget of \$113,969,035 and 472.32 FTE.

The Subcommittee recommended Package 101, Standard Operational Needs. This package adds \$1,215,418 total funds expenditure limitation overall. Three individual increases in limitation comprise the package: for costs that exceed the standard rate of inflation, aligning Preventive Maintenance Account revenues and expenditures and for additional use of the Park Stewardship Dedicated Account. Individual adjustments are:

1. \$153,861 Lottery Funds and \$161,557 Other Funds limitation for projected costs of utilities at the state parks and for seasonal fleet vehicles. Both of these expenditure items are regularly above the standard allowable inflation factors.
2. \$800,000 Other Funds limitation - additional authority to expend preventative maintenance funds. The Preventive Maintenance Account receives a percentage of park user fees; when fee revenue increases, so do the amounts transferred to the account. The increased limitation aligns expenditures with anticipated fund revenues.
3. \$100,000 Other Funds limitation - additional authority to expend funds from the Parks Stewardship Dedicated Account. These funds are from the leasing of park property plus a percentage of revenue from forestry management and ocean shores permits. The increase in limitation will allow for additional work on natural resource protection, forest health management and ocean shores.

Package 103, Update Camping Rates was approved. This package recognizes additional revenue resulting from an increase in most camping rates by \$2.00 per night. The change would primarily affect hookup rates and standard yurt rates. The additional revenue will be used to support

additional park staff and park maintenance work included in Policy Package 105. Additional limitation from the parks Preventive Maintenance Account of \$42,910 Other Funds limitation is included in the package to accommodate for the 3.5 percent of anticipated additional revenues transferred to the account.

The Subcommittee recommended Package 105, Invest in People Who Serve. This package adds \$3,850,712 total funds limitation and 27 positions (23.13 FTE). This package authorizes the funding for the establishment of 27 permanent positions (23.13 FTE) and additional associated services and supplies expenditures to address the increase in park use and the increase in the number of park properties over the past 10 years. The package includes 21 Park Ranger 1 positions (18.38 FTE), four Park Ranger Supervisors (3.25 FTE) and two Natural Resource Specialist 4 positions (1.50 FTE). All are full-time, permanent positions, phased-in during the biennium.

Package 801, LFO Analyst Adjustments was approved. This package provides \$1,397,635 total funds limitation to carry forward unexpended federal grant funds from the 2015-17 biennium to the 2017-19 biennium. The grant is related to the storm damage in Oregon caused in December of 2015. It was authorized by the Emergency Board in December 2016. The package includes Other Funds and Lottery Funds, although the Other Funds are federal grants received at the state level and distributed by the Oregon Office of Emergency Management. The Lottery Funds limitation provides the match for the federal grant. The package also includes limitation for an expanded number of projects approved for federal cost reimbursement.

The Subcommittee recommended Package 812, Vacant Position Elimination. This package eliminates three long-term vacant positions (0.91 FTE) and \$95,461 total funds limitation.

Community Support and Grants

This program administers five grant programs: the All-Terrain Vehicle grants, Land and Water Conservation grants, local government grants, the Recreational Vehicle County Opportunity grants and Recreational Trails grants. The program also includes the Heritage Program, which covers 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 \$43,063,992 and 29.00 FTE.

The Subcommittee recommended Package 070, Revenue Shortfalls. This package reduces Other Funds limitation by \$1,045,273 to balance with estimated 2017-19 biennium All-terrain Vehicle revenues.

Package 102, Honor Grant Award Obligations was approved. This package carries over \$9,130,659 total funds limitation for authorized grants not entirely spent by the end of the 2015-17 biennium. This limitation is for one-time funding and will not be continued in the agency's base budget in subsequent biennia.

The Subcommittee recommended Package 105, Invest in People Who Serve. This package shifts funding for two permanent positions from Other Funds to Lottery Funds. One position assists in the administration of the Main Street program and the other position provides mapping, archaeological permitting, environmental compliance review and agreement development for federal, state and local governments.

Package 801, LFO Analyst Adjustments was approved. This package adds \$4,617 Lottery Funds limitation to reflect the May 2016 state Lottery Funds revenue forecast. The package includes two adjustments: one for the 2015-17 biennium forecast and another for the 2017-19 biennium forecast. The 2017-19 biennium beginning balance is increased by \$122,315 to reflect the anticipated 2015-17 biennium ending fund balance resulting from the forecast. The package also adds \$4,617 above the 2017-19 current service level Lottery Funds revenue transfer to OPRD; this reflects the increase of revenues forecasted to accrue in the 2017-19 biennium.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Parks and Recreation Department
Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ -	\$ 83,259,675	\$ 111,939,526	\$ -	\$ 12,874,261	\$ -	208,073,462	847	576.26
2017-19 Current Service Level (CSL)*	\$ -	\$ 99,719,970	\$ 91,628,295	\$ -	\$ 9,871,343	\$ -	201,219,608	845	575.20
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 200 - Central Services									
Package 812: Vacant Position Elimination Personal Services	\$ -	\$ (139,368)	\$ (146,341)	\$ -	\$ -	\$ -	(285,709)	(3)	(2.25)
SCR 300 - Park Development									
Package 107: Invest to Maintain Parks Services and Supplies	\$ -	\$ 992,811	\$ -	\$ -	\$ -	\$ -	992,811		
SCR 400 -Direct Services									
Package 101: Standard Operational Needs Services and Supplies	\$ -	\$ 153,861	\$ 1,061,557	\$ -	\$ -	\$ -	1,215,418		
Package 103: Update Camping Rates Services and Supplies	\$ -	\$ -	\$ 42,910	\$ -	\$ -	\$ -	42,910		
Package 105: Invest in People Who Serve Personal Services	\$ -	\$ 1,521,244	\$ 1,598,213	\$ -	\$ -	\$ -	3,119,457	27	23.13
Services and Supplies	\$ -	\$ 356,707	\$ 374,548	\$ -	\$ -	\$ -	731,255		
Package 801: LFO Analyst Adjustments Services and Supplies	\$ -	\$ 349,409	\$ 1,048,226	\$ -	\$ -	\$ -	1,397,635		
Package 812: Vacant Position Elimination Personal Services	\$ -	\$ (46,565)	\$ (48,896)	\$ -	\$ -	\$ -	(95,461)	(3)	(0.91)
SCR 500 -Community Support and Grants									
Package 070: Revenue Shortfalls Services and Supplies	\$ -	\$ -	\$ (1,045,273)	\$ -	\$ -	\$ -	(1,045,273)		
Package 102: Honor Grant Award Obligations									
Special Payment (Dist. to Cities)	\$ -	\$ -	\$ -	\$ -	\$ 3,013,727	\$ -	3,013,727		
Special Payment (Dist. to Counties)	\$ -	\$ -	\$ 104,154	\$ -	\$ 3,428,613	\$ -	3,532,767		
Special Payment (Dist. to Other Governmental Units)	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	2,500,000		
Special Payment (Dist. to Non-Governmental Units)	\$ -	\$ -	\$ -	\$ -	\$ 84,165	\$ -	84,165		
Package 105: Invest in People Who Serve Personal Services	\$ -	\$ 460,555	\$ (460,555)	\$ -	\$ -	\$ -	-	0	0.00
Package 801: LFO Analyst Adjustments									
Special Payment (Dist. to Cities)	\$ -	\$ 1,646	\$ -	\$ -	\$ -	\$ -	1,646		
Special Payment (Dist. to Counties)	\$ -	\$ 1,911	\$ -	\$ -	\$ -	\$ -	1,911		
Special Payment (Dist. to Other Governmental Units)	\$ -	\$ 1,060	\$ -	\$ -	\$ -	\$ -	1,060		
TOTAL ADJUSTMENTS	\$ -	\$ 3,653,271	\$ 5,028,543	\$ -	\$ 6,526,505	\$ -	15,208,319	21	19.97
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ 103,373,241	\$ 96,656,838	\$ -	\$ 16,397,848	\$ -	216,427,927	866	595.17
% Change from 2015-17 Leg Approved Budget	0.0%	24.2%	-13.7%	0.0%	27.4%	0.0%	4.0%	2.2%	3.3%
% Change from 2017-19 Current Service Level	0.0%	3.7%	5.5%	0.0%	66.1%	0.0%	7.6%	2.5%	3.5%

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Parks and Recreation Department

Mission Statement:

To provide and protect outstanding natural, scenic, cultural, historic and recreational sites for the enjoyment and education of present and future generations.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. PARK VISITATION - Visitors per acre of Oregon Parks and Recreation Department property.		Approved	513	500	510
2. HERITAGE PROGRAM BENEFITS - Number of properties, sites, or districts that benefit from an OPRD-managed heritage program.		Approved	2,039	2,087	2,087
3. Grant Programs - Percent of Oregon communities that benefit from an OPRD-managed grant program.		Approved	45	50	50
4. PROPERTY ACQUISITION - Recreation lands index: Park lands and waters acquired by OPRD as a percentage of total goal. (Linked to Oregon Benchmark #91)		Approved	78%	75%	75%
5. FACILITIES BACKLOG - Percent reduction in facilities backlog since 1999.		Approved	81%	85%	86%
6. CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved	97%	95%	95%
	Availability of Information		94%	95%	95%
	Overall		97%	95%	95%
	Helpfulness		98%	95%	95%
	Timeliness		96%	95%	95%
	Expertise		97%	95%	95%
7. COMMISSION BEST PRACTICES - Percent of total best practices met by the State Parks and Recreation Commission.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends adoption of the Key Performance Measures and targets as presented.

SubCommittee Action:

The Natural Resources Subcommittee approved the adoption of the Key Performance Measures and targets as recommended by LFO