

MEMORANDUM

To: Joint Committee on Ways and Means  
Natural Resources Subcommittee

FROM: Lisa Sumption  
Director, Oregon Parks and Recreation Department

DATE: February 14, 2017

SUBJECT: Clarification on Oregon State Fair and Exposition Center

At the public hearing this afternoon on HB 5028, the Oregon Parks and Recreation Department's (OPRD) budget bill, a question was asked about funds spent on the Oregon State Fair and Exposition Center (OSFEC). This memo is to provide information regarding the time the OSFEC was part of OPRD.

The OSFEC became part of OPRD January 1, 2006 as a result of legislative action to move the OSFEC from an independent agency to part of Parks. The OSFEC came to OPRD with an operational deficit requiring General fund support and debt service being paid with Lottery funds. OPRD was required to cover the operational deficit and the debt service with Measure 66 (at the time, now Measure 76) dedicated Lottery Fund.

During the 2013 Regular session, Senate Bill 7 established the State Fair Council as a public corporation. As a result, the OSFEC transitioned out of OPRD to a stand alone entity and is no longer part of the OPRD. However, as part of the agreement, OPRD continues to pay debt service on the bonds related to the OSFEC/State Fair Council until the bonds are paid off in 2018.

Below is a chart showing the expenditures and debt service for the OSFEC while it was part of OPRD:

	2005-07	2007-09	2009-11	2011-13	2013-15
GF					979,999
OF	6,683,512	12,376,703	11,899,174	9,530,933	5,598,707
LF	3,997,460	3,400,805	3,560,964	2,840,545	935,995
LF-DS	4,235,234	4,231,091	4,093,009	4,194,847	3,741,536
Total	14,916,206	20,008,599	19,553,147	16,566,325	11,256,237

In addition, the table below shows the debt service OPRD continues to pay from dedicated Lottery funds on behalf of the OSFEC:

	2015-17	2017-19
LF-DS	1,682,355	834,165

Since 2006, OPRD has provided \$35,231,486 dedicated Lottery Funds in support of the OSFEC and will provide another \$2,516,520 in dedicated Lottery Funds to finish paying

off the bonds. OPRD will have invested a total of \$37,748,006 dedicated Lottery Funds in the OSFEC that could have been spent on other priorities.

It should be noted that the amounts shown reflect direct expenditures on the OSFEC. The cost associated with efforts of OPRD staff from other divisions is not included.