

Parks and Recreation Department

	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 Governor's Budget
General Fund	226,952	--	--	--	500,000
Lottery Funds	105,117,102	116,785,574	119,317,103	121,265,593	122,852,220
Other Funds	91,153,615	130,655,323	133,148,859	111,301,186	112,984,028
Federal Funds	8,544,806	16,685,823	17,412,831	10,857,363	22,722,629
Total Funds	205,042,475	264,126,720	269,878,793	243,424,142	259,058,877
Positions	861	870	870	862	864
FTE	590.90	602.55	602.55	595.19	597.19

* Includes Emergency Board and administrative actions through January 2021.

Program Description

The State Parks and Recreation Department (OPRD) operates under the direction of a seven-member Commission. The Department operates the state's system of more than 250 recreational properties, managing various programs including: ocean shores protection; scenic waterways; the Willamette River Greenway; recreational trails; all-terrain vehicles program; recreation grants to counties and local governments; and state park land use and outdoor recreation planning. The OPRD director is also designated as the State Historic Preservation Officer and oversees activities of the Oregon Heritage Commission and Oregon Commission on Historic Cemeteries. In addition, the Department manages Natural Resource Lottery Funds programs including local park development grants; state park land acquisition; operations and maintenance; the parks-prisons inmate work program; state park facilities; and development projects.

The Department manages park lands covering 113,000 acres. These include 56 campgrounds, 256 day-use areas (some include campgrounds), about 1,000 miles of recreation trails, 362 miles of ocean shore, and other special sites such as boating and fishing docks, group meeting halls, interpretive centers, museums, and 2 historic inns.

The Department operates through the following programs:

- Director's Office – (6 positions, 6.00 FTE) Responsible for overall agency management; support of Commission activities; coordination with the Governor, Legislature, and other government entities; and development of broad policy direction. It also provides public information, agency program review, internal audits, and coordinates rulemaking in its efforts to improve agency performance.
- Central Services – (79 positions, 77.57 FTE) Provides budget and fiscal resources management, staff recruitment and training, safety and risk management, information technology services including managing the park reservation system, and centralized business services such as fleet and managing procurements.

- Park Development – (9 positions, 9.00 FTE) Responsible for engineering design, survey, and construction oversight for statewide park development projects focused on reducing the backlog of repairs and deferred maintenance. This budget also includes funding for the purchase of new real property.
- Direct Services – (748 positions, 481.98 FTE) Supports park operations; park planning and recreation programs, along with property and resource management; and engineering services for operations. The program is responsible for operation of the state park system on a daily basis. It also provides labor, materials, and products for state parks through partnerships with state, county, and local corrections and youth crew programs.
- Community Support and Grants – (28 positions, 28.00 FTE) Responsible for direction and management of the Department’s major grant programs and Heritage programs. The grant programs include the All-Terrain Vehicle (ATV) grant program, the Land and Water Conservation Fund, the Local Government Grant Program, the Recreational Trails Grant Program, Natural Heritage (Section 6) grants, and the Recreational Vehicle Grant Program. The Heritage program administers federal and state programs for historic and archeological resource planning and preservation, and provides the services required of the State Historic Preservation Office.

CSL Summary and Issues

The current service level budget for the Parks and Recreation Department decreases by \$26.2 million, all funds, or 9.71% from the legislatively adopted budget. The majority of this decrease is due to the phasing out of one-time expenditure limitation provided in the 2019-21 biennium. These reductions include removal of expenditure limitation for:

- Federal and state funded grant programs \$6.27 million Federal Funds and \$10.9 million Other Funds. These include expenditure authority for bond funding authorized for the Main Street program.
- Park development funds for:
 - Property acquisition, \$3.0 million Lottery Funds
 - Construction of projects in commemoration of the State Parks centennial, \$7.0 million Other Funds
 - Expansion of ADA enhancements, accelerated replacement of restrooms, and expansion of facilities in existing parks, \$1.5 million Lottery Funds and \$2.0 million Other Funds
 - Replacement of the fish ladder and development of a bypass channel at Bates State Park, \$3.0 million Other Funds
 - Improvements at Viento State Park, \$1.0 million Other Funds
 - Assessment, improvement, design, and construction of existing portions of the Coast Trail, \$1.25 million Other Funds
- Funding associated with federal grants for construction projects in the Prineville management unit and for 2015 winter storm damage, \$118,000 Federal Funds, \$158,423 Lottery Funds, and \$475,271 Other Funds
- Funding for an evaluation of necessary repairs at the State Capital State Park, \$400,000 Other Funds
- Diversity and inclusivity initiatives \$400,000 Lottery Funds, \$500,000 Other Funds
- Reservation system replacement planning and Microsoft Office 365 transition work \$317,000 Lottery Funds, \$330,000 Other Funds.

Personal Services adjustments, primarily vacancy savings reductions, and increased pension obligation bond costs increased by \$285,338 Lottery Funds and \$239,846 Other Funds. Standard inflationary factors applied to Services and Supplies and Special Payments total \$7.26 million, \$3.5 million Lottery Funds, \$3.4 million Other Funds, and \$400,000 Federal Funds. Costs of DAS fleet charges of \$94,284 Lottery Funds and \$99,002 Other Funds are included in the current service level budget in addition to the standard inflation rates for these items. Although there is no net change in funding or total costs, the agency also moves five administratively related positions to the Central Services program. One position from Park Development, one position from Community Support and Grants, and three positions from Direct Services. Attorney General expenditures are also rebalanced between programs.

The current service level budget displayed in the table above is modified by a revenue shortfall package included in the Governor's budget. This package (070) makes a \$174,993 Lottery Funds and \$19,000 Other Funds reduction to distribution to cities, counties, and other government entities to reflect reduced Lottery Fund and Other Fund revenues available for pass-through grants to local governments.

Policy Issues

It is somewhat notable that the proposed budget for the agency for the upcoming biennium makes only small adjustments for statewide costs and to align grant award expenditures with available funding. This prudent course of action is reflective of the unknown future of recreational opportunities during the pandemic. As the situation evolves and more is known about the trajectory of the pandemic recovery and revenues, additional operational initiatives may become available.

Pandemic

OPRD made significant operational reductions in response to the COVID-19 pandemic in order to help stop the spread of the contagion and to align operations with projected available revenues. There may be some need to rebalance budgeted expenditures between Lottery Funds and Other funds from the amounts proposed in the Governor's budget due to the projected availability of each fund type. There is also a strong possibility that operations of the parks will remain curtailed well into the upcoming biennium which may require additional budgetary adjustments.

Other Significant Issues and Background

The agency's budget for the 2019-21 biennium included an additional \$3.0 million Lottery Funds expenditure limitation for the acquisition of additional park property. A budget note related to this funding was included that requires OPRD to provide a report to the Joint Committee on Ways and Means during the budget presentation hearings for the 2021-23 biennium detailing purchases of additional park property completed or anticipated to be completed during the 2019-21 biennium. The report must include, at a minimum, the specific location, acres, and price paid for each property, and the initial development and management plan for each property.

Governor's Budget

There were several adjustments included by the Governor that were not contemplated in the requested budget from the agency. A rebalance is included that moves \$2.6 million of funding for expenditures from Other Funds to Lottery Funds in the Direct Services program to utilize available Lottery Fund balances in anticipation of continued reduction in park user fee revenues. Two positions were added, an operations and policy analyst to serve as a coordinator in the Office of Outdoor Recreation at a cost of \$200,000 General Fund, and a Diversity, Equity, and Inclusion officer at a cost of \$216,073 Lottery Funds. In addition to the added position in the Office of Outdoor Recreation, the Governor added \$300,000 General Fund for Office of Outdoor Recreation grants.

Other statewide adjustments were also included in the budget that reduced budgeted expenditures for state government service charges, for Attorney General charges to reflect a 5.91% reduction in rates, and technology costs related to the consolidation of Microsoft 365 licensing.

Once again, this biennium the agency is requesting increases in expenditure authority for costs that are rising faster than applied inflationary factors or due to changes in operations. In the Central Services program, an increase of \$355,800 total funds is included for network connectivity charges and \$260,414 total funds for merchant processing fees. The remote location of many state parks is a major driver of the increased network connectivity charges. In the Direct Services program, requested additional expenditure limitation of \$246,535 is for anticipated increased costs of fuels and utilities.

The Governor's budget also includes the reestablishment of expenditure authority for certain grant program funds. As a matter of course, the agency phases-out the previous biennium's expenditure authority for these programs so that the current biennium's budget can be reset for the anticipated amount of funding available. This request includes expenditure authority of \$5.4 million Other Funds for Main Street and County Opportunity grants, and \$11.87 million Federal Funds for Land and Water Conservation Fund grants and Recreational Trails Program grants.

Key Performance Measures

A copy of the OPRD Annual Performance Progress Report can be found on the LFO website

https://www.oregonlegislature.gov/lfo/APPR/APPR_OPRD_2020-09-14.pdf