

HB 5025 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: Matt Stayner, Legislative Fiscal Office

**Parks and Recreation Department
2021-23**

PRELIMINARY

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
Lottery Funds	\$ 117,019,560	\$ 117,488,933	\$ 116,811,090	\$ (208,470)	-0.2%
Lottery Funds Debt Service	\$ 2,297,543	\$ 3,776,660	\$ 3,776,660	\$ 1,479,117	64.4%
Other Funds Limited	\$ 133,115,836	\$ 111,301,186	\$ 115,695,671	\$ (17,420,165)	-13.1%
Other Funds Debt Svc Ltd	\$ 33,023	\$ -	\$ -	\$ (33,023)	-100.0%
Federal Funds Limited	\$ 17,412,831	\$ 10,857,363	\$ 22,802,629	\$ 5,389,798	31.0%
Total	\$ 269,878,793	\$ 243,424,142	\$ 259,086,050	\$ (10,792,743)	-4.0%

Position Summary

Authorized Positions	870	862	863	(7)
Full-time Equivalent (FTE) positions	602.55	595.19	596.19	(6.36)

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Parks and Recreation Department (OPRD) is funded primarily with Lottery Funds and Other Funds revenues. Constitutional amendments, in 1998 and 2010, dedicated 7.5% of net Lottery proceeds to recreation. These funds are statutorily allocated to the Department. 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.

Summary of Natural Resource 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 Oregon constitution dedicates 7.5% of net Lottery proceeds for public parks, shore and beach access, historic sites, and recreation areas of which 12% is dedicated to funding local government park grants.

The Subcommittee recommended a budget of \$259,086,050 total funds and 863 positions (596.19 FTE). This includes \$120,587,750 Lottery Funds. The total funds budget is a 4% decrease from the 2019-21 legislatively approved budget and a 6.4 % increase from the 2021-23 current service level budget.

Director's Office

This program unit is responsible for the overall management of the Department. It is the liaison and provides support for the Oregon Parks and Recreation Commission. The unit provides policy direction for Department programs and activities and coordination with the Governor's Office, Legislature, and other government agencies. The Director's Office also reviews Department programs, conducts annual internal audits, and coordinates rulemaking in its efforts to improve Department performance. The Subcommittee recommended a total funds budget of \$2,463,334 and five full-time equivalent positions (5.00 FTE).

The Subcommittee recommended the following policy packages:

Package 090, Analyst Adjustments. This package provides for expenditure limitation and position authority for the Department to establish a permanent Diversity, Equity, and Inclusion (DEI) Officer position (1.00 FTE) at a cost of \$216,073 Lottery Funds, in the 2021-23 biennium. The position will coordinate, develop, and expand on DEI initiatives and programs that the Department is currently operating.

Package 801, LFO Analyst Adjustment. This package includes a technical adjustment to reallocate positions and associated funding between operating divisions of the Department to align resources with current operational needs. This adjustment in the Director's Office program decreases expenditure limitation by \$371,106 Lottery Funds and \$389,668 Other Funds and eliminates two positions (2.00 FTE) from the program. This moves the Internal Auditor position to the Central Services program and the Deputy Director for Operations to the Direct Services program. The agency-wide net impact of the technical adjustment results in no change to expenditures or position authority.

Central Services Program

This program includes financial services, public information services, personnel services, and information services. The Subcommittee recommended a total funds budget of \$43,845,533 and 82 positions (81.51 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.

The Subcommittee recommended the following policy packages:

Package 099, Microsoft 365. The package reduces separately budgeted expenditures for software licensing related to Microsoft 365 billed through the Department of Administrative Services state government service charges, in the upcoming biennium.

Package 101, Standard Operational Needs. This package increases expenditure limitation by \$300,589 Lottery Funds and \$315,625 Other Funds. Of this total, \$355,800 is for increased network connectivity costs related to improvements to the Department's network connectivity capability and the increase in vendor charges. The remaining \$260,414 is increased merchant fees. These items are not included in the list of expenditure categories for which standard inflationary factors are applied during the formation of the current service level, which contributes to the need for additional funding in a policy package.

Package 801, LFO Analyst Adjustments. This package includes a technical adjustment to reallocate positions and associated funding between OPRD operating divisions to align resources with current operational needs. This adjustment in the Central Services program increases expenditure limitation by \$483,721 Lottery Funds and \$302,291 Other Funds and establishes a net of three positions (3.00 FTE) in the program. The agency-wide net impact of the technical adjustment results in no change to expenditures or position authority.

Park Development

This program combines the acquisitions and facility investments programs. The resulting program acquires new properties according to an Investment Strategy providing a framework for prioritizing additions to the parks system. The Engineering Division designs and engineers projects, survey's park land, oversees construction for new parks, and for maintenance and improvement of current properties. The subcommittee recommended a total funds budget of \$23,088,020 and no positions.

The Subcommittee recommended the following policy package:

Package 801, LFO Analyst Adjustments. This package includes two adjustments: 1) reallocates \$2,000,000 of expenditure limitation from Lottery Funds to Other Funds to ensure an adequate ending fund balance for the Department; and 2) makes a technical adjustment to reallocate positions and associated funding between operating divisions of the Department to align resources with current operational needs. This adjustment in the Park Development program decreases expenditure limitation by \$1,973,101 Lottery Funds and \$438,670 Other Funds and eliminates a net of eight positions (8.00 FTE) in the program. The move of these positions consolidates all engineering staff in the Direct Services program. The agency-wide net impact of the technical adjustment results in no change to expenditures or position authority.

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 \$132,966,431 and 750 positions (483.68 FTE).

The Subcommittee recommended the following policy packages:

Package 101, Standard Operational Needs. This package increases expenditure limitation by \$120,260 Lottery Funds and \$126,275 Other Funds to provide for increasing utility costs.

Package 801, LFO Analyst Adjustments. This package includes two adjustments: 1) re-establishes Federal Funds expenditure limitation of \$80,000 to allow the Department to expend federal funding provided in the 2019-21 biennium, by the U.S. Bureau of Reclamation, for construction projects. Those projects were delayed due to the COVID-19 pandemic; 2) makes a technical adjustment to reallocate positions and associated funding between operating divisions of the Department to align resources with current operational needs. This adjustment in the Direct Services program increases expenditure limitation by \$2,056,313 Lottery Funds and \$526,047 Other Funds and establishes a net of eight positions (8.00 FTE) in the program. The agency-wide net impact of the technical adjustment results in no change to expenditures or position authority.

Community Support and Grants

This program administers five grant programs: 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 recommended a total funds budget of \$56,722,732 and 26 positions (26.00 FTE).

Currently, 88% of available funding is used for OPRD operations and 12% is allocated to local grants. The Constitution provides for a redistribution of the funding to 75% for OPRD operations and 25% for local grants, if the revenues deposited in the Parks and Natural Resources Fund exceed 150% of the amounts deposited in the 2009-11 biennium. The May 2021 revenue forecast for the 2021-23 biennium predicts this will occur in the upcoming biennium. However, the change in the distribution is based on amounts actually realized and, therefore, the budget reflects the current allocation ratio of 88% and 12%, but provides for sufficient fund balances for the redistribution of revenues should sufficient revenues be realized to change the allocation during the biennium.

The Subcommittee recommended the following policy packages:

Package 070, Revenue Shortfalls. This package includes reductions in expenditure limitation for local grant programs due to the December 2020 revenue forecast during the development of the current service level. These reductions are reversed in LFO analyst adjustment package 801 aligning local government grant expenditure limitation to the May 2021 revenue forecast.

Package 102, Honor Grant Award Obligations. This package increases expenditure limitation by \$2,285,921 Other Funds and \$11,865,266 Federal Funds to allow for the payment of awards from the Oregon Main Street Grant Program, the County Opportunity Grant Program, the Land and Water Conservation Fund, and the Recreation Trails Program. The Oregon Parks and Recreation Department is the administrator of these grant programs. The expenditure limitation for these grant programs is phased out of the current service level budget each biennium and then re-established in a policy package at the anticipated level of available funding for the current biennium. This includes funding for previously awarded grants, as well as anticipated grant revenues.

Package 801, LFO Analyst Adjustments. This package includes the following two adjustments:

1) increases Lottery Funds expenditure limitation by \$1,159,590 for the awarding of grant funds to local government parks and recreation programs. This increase is additive to the current service level budget for local grant funding, bringing total authorized expenditures in line with available revenues for this purpose as outlined in the Oregon Constitution. Article 15, section 4a (3), of the Oregon Constitution details the allocation of Lottery revenues between Oregon Parks and Recreation Department operations and local parks programs grant funding.

2) makes a technical adjustment to reallocate positions and associated funding between operating divisions of the Department to align resources with current operational needs. This adjustment in the Community Support and Grants program decreases Lottery Fund expenditure limitation by \$195,827 and eliminates one administrative support position (1.00 FTE), which is moved to the Central Services program to be used as a part of an administrative support pool.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

**Oregon Parks and Recreation Department
Linnea Wittekind - 971-900-9992**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ -	\$ 119,317,103	\$ 133,148,859	\$ -	\$ 17,412,831	\$ -	\$ 269,878,793	870	602.55
2021-23 Current Service Level (CSL)*	\$ -	\$ 121,265,593	\$ 111,301,186	\$ -	\$ 10,857,363	\$ -	\$ 243,424,142	862	595.19
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 100-10 - Director's Office									
Package 090: Analyst Adjustments									
Personal Services	\$ -	\$ 216,073	\$ -	\$ -	\$ -	\$ -	\$ 216,073	1	1.00
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ (366,400)	\$ (384,726)	\$ -	\$ -	\$ -	\$ (751,126)	(2)	(2.00)
Services and Supplies	\$ -	\$ (4,706)	\$ (4,942)	\$ -	\$ -	\$ -	\$ (9,648)		
SCR 200-10 - Central Services									
Package 099: Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ (299,362)	\$ (314,336)	\$ -	\$ -	\$ -	\$ (613,698)		
Package 101: Standard Operational Needs									
Services and Supplies	\$ -	\$ 300,589	\$ 315,625	\$ -	\$ -	\$ -	\$ 616,214		
Package 801: LFO Analyst Adjustment									
Personal Services	\$ -	\$ 511,621	\$ 333,189	\$ -	\$ -	\$ -	\$ 844,810	3	3.00
Services and Supplies	\$ -	\$ (27,900)	\$ (30,898)	\$ -	\$ -	\$ -	\$ (58,798)		
SCR 300-10 - Park Development									
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ (1,735,515)	\$ (438,670)	\$ -	\$ -	\$ -	\$ (2,174,185)	(8)	(8.00)
Services and Supplies	\$ -	\$ (2,237,586)	\$ 2,000,000	\$ -	\$ -	\$ -	\$ (237,586)		
SCR 400-10 - Direct Services									
Package 101: Standard Operational Needs									
Services and Supplies	\$ -	\$ 120,260	\$ 126,275	\$ -	\$ -	\$ -	\$ 246,535		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ 1,784,595	\$ 490,207	\$ -	\$ -	\$ -	\$ 2,274,802	8	8.00
Services and Supplies	\$ -	\$ 271,718	\$ 35,840	\$ -	\$ 80,000	\$ -	\$ 387,558		
SCR 500-10 - Community Support and Grants									
Package 070: Revenue Shortfalls									
Special Payments	\$ -	\$ (174,993)	\$ (19,000)	\$ -	\$ -	\$ -	\$ (193,993)		
Package 102: Honor Grant Award Obligations									

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustment									
Personal Services	\$ -	\$ (194,301)	\$ -	\$ -	\$ -	\$ -	\$ (194,301)	(1)	(1.00)
Services and Supplies	\$ -	\$ (1,526)	\$ -	\$ -	\$ -	\$ -	\$ (1,526)		
Special Payments - Dist to Cities, Dist to Counties, Dist to Other Gov Unit	\$ -	\$ 1,159,590	\$ -	\$ -	\$ -	\$ -	\$ 1,159,590		
TOTAL ADJUSTMENTS	\$ -	\$ (677,843)	\$ 4,394,485	\$ -	\$ 11,945,266	\$ -	\$ 15,661,908	1	1.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ 120,587,750	\$ 115,695,671	\$ -	\$ 22,802,629	\$ -	\$ 259,086,050	863	596.19
% Change from 2019-21 Leg Approved Budget	0.0%	1.1%	-13.1%	0.0%	31.0%	0.0%	-4.0%	-0.8%	-1.1%
% Change from 2021-23 Current Service Level	0.0%	-0.6%	3.9%	0.0%	110.0%	0.0%	6.4%	0.1%	0.2%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2021 - 2023 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 2022	Target 2023
1. PARK VISITATION - Visitors per acre of Oregon Parks and Recreation Department property.		Approved	391	450	450
2. HERITAGE PROGRAM BENEFITS - Number of properties, sites, or districts that benefit from an OPRD-managed heritage program.		Approved	2,065	2,130	2,130
3. Grant Programs - Percent of Oregon communities that benefit from an OPRD-managed grant program.		Approved	55%	57.10%	57.10%
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	76%	83%	83%
5. FACILITIES BACKLOG - Percent reduction in facilities backlog since 1999.		Approved	0%	85%	85%
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	0%	95%	95%
	Availability of Information		0%	95%	95%
	Overall		0%	95%	95%
	Helpfulness		0%	95%	95%
	Timeliness		0%	95%	95%
	Expertise		0%	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 Sub-Committee approved the adoption of the Key Performance Measures and targets as presented.