

## ANALYSIS

### Item 42: Parks and Recreation Department Park Acquisitions

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**Analyst:** April McDonald

**Request:** Increase Lottery Funds expenditure limitation by \$2,245,233 for property acquisition by the Oregon Parks and Recreation Department.

**Analysis:** The Oregon Parks and Recreation Department (OPRD) requests additional Lottery Funds expenditure limitation, supported by net lottery revenues dedicated by Ballot Measure 76 (2010), for the purpose of state park property acquisitions, yet to be determined. OPRD has historically acquired property for purposes including protection of natural and historic sites, expanding current park properties to allow for more park users, or providing additional access.

OPRD put forth this same request as part of the Department's 2023-25 biennial budget development process; however, the request was not included in the Department's legislatively adopted budget due to concerns with cash flow and reserve funding. In the 2019-21 biennium, the Department's budget included \$4.6 million for property acquisitions. As a result of the pandemic's negative impact on lottery revenues, OPRD's acquisitions budget was reduced to \$1.7 million for the 2021-23 biennium. The 2023-25 biennial budget includes approximately \$1.8 million for acquisitions, which includes a slight increase due to standard inflation. The Department seeks to increase the acquisitions budget to nearly pre-pandemic levels. The target operating reserve balance would support six months of OPRD's operating expenditures. Currently, the agency is just shy of this target, and carries a total Lottery Fund operating reserve balance equal to 5.5 months. If this increase is granted and the expenditure limitation is fully utilized, the reserve will reduce to just over 5 months.

Lottery revenues have increased slightly since the May 2023 forecast on which the Department's budget is based. The State's next revenue forecast will be released by the Office of Economic Analysis early in the February 2024 legislative session. Deferring consideration of the Department's requested increase until the legislative session would allow for review and consideration of the latest revenue forecast.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means defer action on the request to the 2024 legislative session.

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Parks and Recreation Department  
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**Request:** Increase Lottery Funds expenditure limitation by \$2,245,233 for property acquisitions.

**Recommendation:** Approve the request during the 2024 Legislative Session.

**Discussion:** Property acquisitions are the mechanism the Oregon Parks and Recreation Department has for the expansion of land into the State Parks system. Often, the Department utilizes land acquisitions for lands that are adjacent to existing parks for expansion or ease of access. Without property acquisition funding, the Department must rely on land donations to increase parklands.

In the 2015-17 biennium, the Department was provided with a budget of \$3.7 million for property acquisitions, a level which was reflective of the amount received in the 2013-15 biennium. The 2017 Legislature reduced the property acquisition budget by 54.9 percent. Since 2017, the Legislature has provided a lower amount of support for property acquisitions with the 2023 Legislature providing a budget of \$1,754,767. Due to increased demand on the parks system and a need to expand to create additional capacity, the Department has requested an increase of Lottery Funds to reflect the level of support provided prior to 2017.

If approved, revenue provided would be derived from the Parks and Natural Resources Fund within Lottery Funds. The Parks and Natural Resources Fund allocated to the Department would be expected to have a balance of \$24.0 million following approval of the request and remaining operations through the 2023-25 biennium.

**Legal Reference:** Increase Lottery Funds expenditure limitation established by chapter 477, section 3(3), Oregon Laws 2023, for the Parks & Recreation Department, Parks Development, by \$2,245,233 for the 2023-25 biennium.



# Oregon

Tina Kotek, Governor

## Parks and Recreation Department

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December 4, 2023

Senator Elizabeth Steiner, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

### Nature of the Request

The Oregon Parks and Recreation Department (OPRD) requests an increase in Lottery Fund limitation of \$2,245,233 for property acquisition.

### Agency Action

Acquisition funds allow the Department to protect iconic places in Oregon by purchasing property that contain natural and historic resources so Oregonians from every community can enjoy the site. Acquisition funds also allow OPRD to expand the capacity of current park properties to serve Oregonians. The Department works with willing sellers to acquire property by outright purchase, easements, and other mechanisms as fit the circumstances, and uses its funds to leverage grants and partnerships with nongovernment partners.

Acquisition funding has been held at *historically low levels* for several years until the Oregon State Parks and Recreation Commission adopted a new strategic policy, which is now complete and set standards to vet acquisition candidates against Oregon's need for state park services. The state park system is bursting at the seams with heavy use in many areas, breaking visitation records over the last ten years. Strong performance provides hefty physical and mental benefits to the people who visit, and economic benefits to the nearby communities. The flip side of this popularity is congestion and wear-and-tear on facilities, and *restoring the acquisition budget to its historic average* through this request partially addresses the issue.

### Action Requested

OPRD respectfully requests an increase in Lottery Funds of \$2,245,233.

### Legislation Affected

Sincerely,

  
Lisa Sumption (Nov 30, 2023 14:54 PST)

Lisa Sumption  
Director