

## ANALYSIS

### Item 41: Parks and Recreation Department Budget Realignment

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**Analyst:** April McDonald

**Request:** Authorize the transfer of Other Funds and Lottery Funds expenditure limitation between divisions to rebalance statewide charges.

**Analysis:** At the conclusion of the 2023 legislative session, SB 5506 included net adjustments to state agency budgets for statewide charges based on data provided by the Department of Administrative Services. As the Oregon Department of Parks and Recreation (OPRD) began implementing their 2023-25 legislatively approved budget, the Department discovered that their adjustments for Attorney General charges and service charges for the Department of Administrative Services were inadvertently misaligned across three divisions of the agency. OPRD submitted a request to rebalance the divisions during the 2024 legislative session but miscommunicated the necessary shifts in their letter of request. The resulting, and current, misalignment includes a shortfall of \$194,559 in Other Funds expenditure limitation, and an equal amount in Lottery Funds expenditure limitation in the Director's Office, an individually budgeted division. This amount is equivalent to approximately 24% of the division's total Other Funds budget, and 14% of the Lottery Funds budget, equal to 38% of the division's total budget. To mitigate the impact of the shortfall, OPRD has reduced expenditures in the Director's Office and delayed hiring the Director for the Office of Outdoor Recreation. OPRD requests the net-zero adjustments illustrated below for equivalent amounts of Other Funds and Lottery Funds expenditure limitation across the agency to rebalance the statewide charges included in their 2023-25 legislatively approved budget.

Division	Other Funds	Lottery Funds	Total Funds
Director's Office	\$ 194,559	\$ 194,559	\$ 389,118
Central Services	\$ 99,882	\$ 99,882	\$ 199,764
Direct Services	\$ (294,441)	\$ (294,441)	\$ (588,882)
TOTAL	\$ -	\$ -	\$ -

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board authorize the transfer of Other Funds expenditure limitation from Direct Services in the amounts of \$194,559 to the Directors Office and \$99,882 to Central Services, and the transfer of Lottery Funds expenditure limitation from Direct Services in the amounts of \$194,559 to the Director's Office and \$99,882 to Central Services, to rebalance statewide charges for the State Parks and Recreation Department.

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Parks and Recreation Department  
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**Request:** Transfer of Other Funds and Lottery Funds expenditure limitation made to Direct Services to Central Services and to the Director's Office for statewide charges.

**Recommendation:** Approve the request.

**Discussion:** In finalizing the statewide budget, adjustments are made to agency appropriations to account for changes in centralized charges for services, such as Department of Administrative Services (DAS) assessments or Attorney General costs. After the close of the 2023 session, an error was identified in the Parks and Recreation Department budget related to DAS charges and Attorney General rates. The budget adjustments for these costs, in section 318 of Senate Bill 5506 (2023), were applied to the Director's Office and Central Services though the agency typically pays those costs out of the Direct Services budget. As a result, the Director's Office has to reprioritize costs to properly account for budgeted amounts in charges for services. The Department requested corrections during the 2024 Legislative Session; however, has identified an additional correction is needed. To alleviate the Director's Office budget shortfall, the Department has resubmitted a net zero technical adjustment to transfer Other Funds and Lottery Funds expenditure limitation from Direct Services to the Director's Office and Central Services divisions to align the budget where the expenses occur.

**Legal Reference:** Transfer of \$294,441 Other Funds expenditure limitation made by chapter 477, section 2, Oregon Laws 2023, for the 2023-25 biennium as follows:

Subsection		Amount
(1)	Director's office	\$+194,559
(2)	Central services	\$ +99,882
(4)	Direct services	\$ -294,441

Transfer of \$294,441 Lottery Funds expenditure limitation made by chapter 477, section 3, Oregon Laws 2023, for the 2023-25 biennium as follows:

Subsection		Amount
(1)	Director's office	\$+194,559
(2)	Central services	\$ +99,882
(4)	Direct services	\$ -294,441



# Oregon

Tina Kotek, Governor

## Parks and Recreation Department

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April 29, 2024

Senator Rob Wagner, Co-Chair  
Representative Julie Fahey, Co-Chair  
State Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

### Nature of the Request

Oregon Department of Parks and Recreation (OPRD) requests technical adjustments to the agency's 2023-25 biennium budget related to application of the DAS Charges for Service and the Attorney General rate adjustments from SB 5506 (2023).

### Agency Action

As the agency began implementation of the 2023-25 budget, it was discovered adjustments for DAS Charges for Service and for Attorney General rates included in SB 5506 (2023) were inadvertently omitted from the agency's budget under the bill.

The table below summarizes the adjustments requested within each division across the agency.

Division	Other Funds	Lottery Funds	Total Funds
Director's Office	194,559	194,559	398,118
Central Services	99,882	99,882	199,764
Direct Services	(294,441)	(294,441)	(588,882)
Total	0	0	0

As a mitigation, the agency has reduced funding in the director's office and delayed hiring an important position. Remedying this situation now will allow for hiring to move forward this biennium.


### **Action Requested**

OPRD requests a net zero technical adjustment across divisions related to the application of DAS Charges for Service and Attorney General rate adjustments from SB 5506 (2023).

### **Legislation Affected**

Oregon Laws, 2023, Chapter 477 Section 2 (1) Director's Office \$194,559  
Oregon Laws, 2023, Chapter 477 Section 2 (2) Central services \$99,882  
Oregon Laws, 2023, Chapter 477 Section 2 (4) Direct services (\$294,441)  
Oregon Laws, 2023, Chapter 477 Section 3(1) Director's office \$194,559  
Oregon Laws, 2023, Chapter 477 Section 3 (2) Central services \$99,882  
Oregon Laws, 2023, Chapter 477 Section 3 (4) Direct services (\$294,441)

Sincerely,

  
[Lisa Sumption \(Apr 29, 2024 16:48 EDT\)](#)  
Lisa Sumption  
Director