

75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 5033-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Cannon

Carrier – Senate: Sen. Walker

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 20 – 0 – 2

House – Yeas: Buckley, D. Edwards, Garrard, Gilman, Jenson, Komp, Kotek, Nathanson, Richardson, Shields

– Nays:

– Exc: Galizio, G. Smith

Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

– Nays:

– Exc:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Susie Jordan, Legislative Fiscal Office

Meeting Date: June 5, 2009

Agency

Parks and Recreation Department

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LFO Analysis Page

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Biennium

2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$ Change	% Change
Lottery Funds	\$ 103,240,858	90,950,942	\$ 87,308,063	\$ -15,932,795	-15.43%
Lottery Funds Debt Service	\$ 4,235,070	4,093,009	\$ 4,093,009	\$ -142,061	-3.35%
Other Funds	\$ 112,285,196	114,105,658	\$ 96,621,413	\$ -15,663,783	-13.95%
Other Funds Nonlimited	\$ 1,391	0	\$ 0	\$ -1,391	-100%
Other Funds Nonlimited Debt Service	\$ 214,343	0	\$ 0	\$ -214,343	-100%
Federal Funds	\$ 9,420,900	\$ 8,153,759	\$ 14,887,229	\$ 5,466,329	58.02%
Total	\$ 229,397,758	\$ 217,303,368	\$ 202,909,714	\$ -26,488,044	-11.55%

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Position Summary

Authorized Positions	888	884	883	-5	-0.56%
Full-time Equivalent (FTE) positions	602.20	600.94	600.89	-1.31	-0.22%

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(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

... [1]

Summary of Revenue Changes

Revenues were adjusted to reflect changes in the May 2009 state revenue forecast for Lottery Funds, including a reduction in projected Measure 66 revenue for the 2009-11 biennium. Other revenue adjustments reflect updated projections for Recreational Vehicle (RV) fees, park user fees, interest earnings, All Terrain Vehicle (ATV) fuel surcharges, timber harvest sales, and State Fair rentals; these revenues all decreased based on recent information, so revenues and beginning balances were adjusted. The approved budget assumes an increase in park user fees to bring camping and day use fees to market rates for implementation in May of 2010. Federal revenues were increased to reflect revenue from the American Recovery and Reinvestment Act, as well as some expected competitive grant awards.

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Summary of Natural Resources Subcommittee Action

The Parks and Recreation Department provides and protects outstanding natural, scenic, cultural, historical and recreational sites for the enjoyment and education of present and future generations. The Subcommittee approved a total funds budget of \$202,909,714 and 600.89 full-time equivalent (FTE) positions. The recommended budget is an 11.5 percent Total Funds decrease from the 2007-09 biennium budget as of December 2008, and a 6.1 percent increase from the 2009-11 Essential Budget Level.

Administration Program Unit

This program unit includes the Director's Office, the assistant director of administration, agency financial services, and information services. This program unit is responsible for the overall management of the agency. It is the liaison for the Oregon Parks and Recreation Commission; it also provides staff support to the Commission. It includes the Reservations Northwest call center and agency-wide expenditures such as liability insurance. The Subcommittee approved a total funds budget of \$26,362,694 and 73.52 full-time equivalent positions

The Subcommittee approved Package 070: Revenue Shortfalls, which reduces the budget by \$5,180,097 Other Funds expenditure limitation because estimates indicate there won't be enough Other Funds revenue to cover costs.

The Subcommittee approved Package 090: Analyst Adjustments, which reduces the budget by \$1,979,782 Other Funds because estimates indicate there won't be enough Other Funds revenue to cover costs. It also reduces Lottery Fund revenue by \$28,886 to help offset increases in package 103, and Other Fund revenues by \$2,650,000 for additional revenue shortfalls projected in autumn 2008.

The Subcommittee approved Package 101: Restore Park Services with Lottery Funds; this package provides \$5,009,968 Lottery Funds to offset Other Fund shortfalls. It also reduces Other Funds by \$3,860,923.

The Subcommittee approved Package 103: Increase Lottery Funds for Park Operations; this package shifts \$6,010,834 of expenditures to Lottery Funds from the Acquisitions, Local Government Grants and Facility Investment programs to cover Other Fund revenue shortfalls. It also reduces the revenue transfer in from the Department of Administrative Services by \$2,878,920, based on the May 2009 state revenue forecast.

The Subcommittee approved Package 106: Personnel Reclassification Adjustments; this package reduces Other Funds expenditure limitation by \$29,514 through various personal service changes, including reclassifying three positions, establishing one position, and eliminating a vacant position.

Package 801: LFO Analyst Technical Adjustments was approved; this package increases Lottery Funds expenditure limitation by \$264,174 and Other Funds expenditure limitation by \$220,000. The Lottery Fund increase covers State Data Center cost increases while the Other Funds provides carry-over expenditure authority for from the reservation system replacement project. The package also includes revenue adjustments to beginning balances; these reflect an increase of \$729,920 Lottery Funds for the 2007-09 biennium estimated in the May 2009 state revenue forecast. Other beginning balance adjustments include a decrease in the recreational vehicle registration fee revenue transferred from ODOT, and internal adjustments reflecting management actions taken in the 2007-09 biennium, for a total Other Fund revenue decrease of \$698,117.

Heritage Programs

This program includes the assistant director for heritage [programs](#), 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 approved a total funds budget of \$5,272,161 and 19.00 full-time equivalent positions.

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The subcommittee approved Package 070: Revenue shortfalls; this package decreases expenditures by \$317,081 Federal Funds because fiscal estimates provided by the National Park Service indicate there will be less federal money available to support heritage programs.

The subcommittee approved Package 106: Personnel Classification Adjustments; this package has no fiscal impact but does reclassify two positions due to mismatched position and incumbent classifications.

Package 801: LFO Analyst Technical Changes was approved; this package adds \$6,380 Federal Funds expenditure limitation and revenues to reflect increased federal State Historic Preservation Office funding. No positions or FTE are involved.

Grants

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This program administers five grant programs: the All-Terrain Vehicle grants, Land and Water Conservation grants, local grants, the Recreational Vehicle County Opportunity grants, and Recreational Trails grants. The Subcommittee approved a total funds budget of \$27,154,562 and 11.00 full-time equivalent positions.

The Subcommittee approved package 090: Analyst Adjustments; this package decreases Other Funds by \$44,878. This reduction results from estimates in autumn 2008 of lower interest earnings on the funds in this program.

The Subcommittee approved package 102: Reduce Lottery in Grants/Acquisitions/Repairs; this package reduces the expenditure limitation available to award grants for local park development by \$9,313,664 Lottery Funds. This package results from a need to rebalance funds internally because of insufficient revenue; the reduction is added back in the administration and operations programs.

The Subcommittee approved package 106: Personnel Classification Adjustments; this package has no fiscal impact but does reclassify a management position following reviews of position classifications in the department.

The Subcommittee approved package 108: Implement Required ATV Safety Services; this package adds \$3,321,352 Other Funds expenditure limitation and one permanent position (1.00 FTE). The package implements Senate Bill 101 (2005), which required improved safety training for All-Terrain Vehicle users.

The Subcommittee approved package 112: Post Agency Request Budget Adjustments; this package adds \$800,000 Federal Funds expenditure limitation for a one-time transportation enhancement grant for the Rogue Valley that was awarded to the agency.

Package 801: LFO Analyst Technical Changes was approved by the subcommittee; this package adds \$1,133,421 Federal Funds expenditure limitation and revenue, and decreases Other Funds revenue by \$3,177,705. The revenue adjustments reflect updated estimates of ATV permit sales, lower interest earnings, decreased ATV fuel tax receipts, and a decrease in RV registration fee revenues. In addition, the subcommittee approved an ongoing revenue transfer to the Department of Forestry for operations and maintenance of ATV trails and activities in the Tillamook State Forest. The Federal Funds increase results from Recreational Trails Program Formula Grants and carryover from the 2007-09 biennium.

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Acquisitions

This program acquires new properties and is funded from Measure 66 Lottery Funds. The Subcommittee approved a total funds budget of \$6,200,000 and 1.00 full-time equivalent positions.

The Subcommittee approved package 102: Reduce Lottery in Grants/Acquisitions/Repairs; this package decreases the allocation of Lottery Fund resources for land acquisition by \$16,410,652 Lottery Funds because of revenue shortfalls, including reduced revenue projected in the May 2009 state revenue forecast.

Package 801: LFO Analyst Technical Changes was approved by the subcommittee; this package adds \$2,000,000 Federal Funds expenditure limitation and revenue for the anticipated approval of a grant from the National Oceanic and Atmospheric Administration. This grant will allow the agency to purchase land near Ona State Park and Beaver Creek Natural Area. The additional expenditure limitation is provided with the understanding that the Department of Administrative Services will unschedule it until the grant award letter is received.

Package 810: Program Changes was approved by the subcommittee; this package reduces Lottery Funds expenditure limitation and revenue by \$2,157,172 to temporarily suspend the Acquisitions, so resources can be shifted to the Facility Investment Program (FIP), which funds repair and construction projects. The FIP will have a more immediate impact on job creation or sustainability during hard economic times than will land purchases. If Lottery Funds received during the 2009-11 biennium are higher than the May 2009 economic forecast predicts, the agency may request an increase in expenditure limitation from the Emergency Board if critical properties become available and the opportunity to purchase could be lost.

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Operations

This program operates the state park system on a daily basis. Scenic waterways, ocean shores, resources and land are managed by the program. Increased use of the park system results in a greater need for riparian and wetland preservation and restoration, management of targeted threatened and endangered species and habitats, watershed health issues, and landscape scale ecosystem management. The Parks and Prisons program is also part of this program. The Subcommittee approved a total funds budget of \$83,434,192 and 428.87 full-time equivalent positions.

The Subcommittee approved Package 070: Revenue Shortfalls; this package reduces Other Funds expenditure limitation by \$15,745,221 because fee and other revenues are inadequate to support ongoing costs. The package also eliminates one position (1.00 FTE).

The Subcommittee approved package 101: Restore Parks Services with Lottery Funds; this package provides \$1,067,827 Lottery Funds and \$892,031 Other Funds expenditure limitation and one position (1.00 FTE) to partially restore the reductions taken in Package 070: Revenue Shortfalls. The funding comes from reductions in the Grants, Acquisitions and FIP programs.

The Subcommittee approved package 103: Increase Lottery Funds for Park Operations; this package provides \$8,291,915 Lottery Funds to restore reductions taken in Package 070: Revenue Shortfalls. The funding comes from reductions in the Grants, Acquisitions, and FIP programs. The amount added is based on the May 2009 state revenue forecast.

The Subcommittee approved package 105: Adjust Park Fees to Market Rates and Inflation; this package provides \$4,293,876 Other Funds expenditure limitation and \$4,300,000 Other Funds revenues from a fee increase. Park user fees have not increased since 1996. The fee changes bring the fees more in line with market rates.

The Subcommittee approved package 106: Personnel Classification Adjustments; this package increases Lottery Funds expenditure limitation by \$24,459 and Other Funds expenditure limitation by \$208,154, and it adds one position (1.95 FTE). It reclassifies four positions, adds a Parks ~~Manager~~ and ~~three Office Coordinator~~ positions, eliminates a vacant position, and adds months to positions. Combined with other personnel classification adjustments, there is no net fiscal impact on the agency's budget for the 2009-11 biennium.

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The Subcommittee approved package 112: Post Agency Budget Adjustments; this package increases Lottery Funds expenditure limitation by \$237,184 and Other Funds expenditure limitation by \$711,551. The expenditure limitation is for two Federal Emergency Management projects approved at the June 2008 meeting of the Emergency Board. The projects will not be complete until the 2009-11 biennium. One project is at Cape Look Out and the other is the Spring Valley slide. This is a one-time expenditure limitation increase.

Package 801: LFO Analyst Technical Changes was approved by the subcommittee; this package adds \$56,000 Lottery Funds and \$552,000 Federal Funds expenditure limitation. It reduces Other Funds expenditure limitation by \$80,000. It also reduces Other Funds revenue by \$710,304 and increases Federal Funds revenue by \$552,000. The package results from updated revenue projections for park user fees and timber harvest sale revenue. The reduction in Other Funds expenditures is a combination of a shift in the costs to Federal Funds (\$130,000 decrease in OF) from the Bureau of Reclamation and the creation of a business account for Cape Blanco Lighthouse (increased OF limitation of \$50,000). Also, the Bureau funding supports work at the Prineville Reservoir (\$352,000) and Cape Blanco lighthouse (\$70,000). The Lottery Funds expenditure increase comes from a shift of the Stop Oregon Litter and Vandalism (SOLV) contract from the Recreation and Planning program to this program.

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Facility Investments

This program has responsibility for long-term investment in park infrastructure. In the 1997-99 biennium, \$15 million of Lottery Revenue Bonds were issued to begin working through a backlog of parks maintenance and improvement projects. After the passage of Measure 66 in 1998, the legislature began allocating \$15 million of the Measure 66 funds to the facility investments program each biennium. The Subcommittee approved a total funds budget of \$27,568,548 and 16.00 full-time equivalent positions.

The Subcommittee approved package 070: Revenue Shortfalls; this package reduces Other Funds expenditure limitation by \$3,923,766 because Other Fund revenues from fees and other sources are insufficient to cover costs.

The Subcommittee approved package 101: Restore Park Services with Lottery Funds; this package adds \$2,968,892 Other Funds from the fee increase proposal described in package 105 (Operations program) to partially restore reductions taken in package 070: Revenue Shortfalls.

The Subcommittee approved package 106: Personnel Classification Adjustments; this package increases Lottery Funds expenditure limitation by \$15,155. It reclassifies three positions. Combined with other personnel classification adjustments throughout the budget, there is no net fiscal impact on the agency's budget for the 2009-11 biennium.

Package 801: LFO Analyst Technical Changes was approved by the subcommittee; this package reduces Lottery Funds expenditures and revenues by \$2,320,589 based on the May 2009 state revenue forecast. The reduction will be applied proportionately to the Backlog, Enhancement, Legacy and Efficiency projects.

Package 810: Program Changes was approved by the subcommittee; this package increases Lottery Funds expenditure limitation and revenue by \$4,827,554 to fund repair and construction projects. The funding comes from reductions in the Acquisition program. The FIP will have a more immediate impact on job creation or sustainability during hard economic times than will land purchases.

Package 812: ARRA Federal Stimulus Projects was approved by the subcommittee; this package increases Federal Funds expenditure limitation and revenue by \$2,558,750 to fund repair and construction projects.

Recreation Programs and Planning

The Recreation Programs and Planning unit was added during the 2005-07 biennium to emphasize the agency's responsibility for encouraging outdoor recreation in Oregon. This unit includes master planning and recreation planning, Interpretive Programs, Trails Programs (water and land based), Water-based Recreation, Bicycling and Marketing and Public relations. It also connects with Friends Groups (volunteers) efforts and develops State Parks policies and procedures, such as establishing prices for state park services and providing outreach options to make parks more accessible and enjoyable for customers. The program also acts as a liaison to other federal and local governments and with recreation stakeholders. The Subcommittee approved a total funds budget of \$6,620,804 and 19.50 full-time equivalent positions.

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The Subcommittee approved package 070: Revenue Shortfalls; this package reduces Other Funds expenditure limitation by \$885,999 because Other Fund revenues from fees and other sources are insufficient to cover costs.

The Subcommittee approved package 103: Increase Lottery Funds for Park Operations; this package provides \$885,999 Lottery Funds to restore reductions taken in Package 070: Revenue Shortfalls. The funding comes from reductions in the Grants, Acquisitions, and FIP programs. The amount added is based on the May 2009 state revenue forecast.

Deleted: This new program unit includes elements previously housed in the Administration and Operations program units. Public services, including marketing, beach safety, public relations and volunteer services were moved from Administration, while master, strategic, long-term, and land use planning were moved from the Operations program unit.

The Subcommittee approved package 106: Personnel Classification Adjustments; this package has no fiscal impact but does reclassify a management position following reviews of position classifications in the department.

Package 801: LFO Analyst Technical Changes was approved by the subcommittee; this package reduces Lottery Funds expenditures by \$56,000 because the SOLV contract is being moved to the Operations program. A corresponding increase in Lottery Funds expenditure limitation occurs in package 801 in the Operations program.

State Fair Operations

Oregon State Fair and Exposition Center (State Fair) conducts an annual state fair and operates the fairgrounds as year-round fair and exposition center. It is located in Salem. The Subcommittee approved a total funds budget of \$16,203,744 and 32.00 full-time equivalent positions.

Deleted: The State Fair had been a separate agency; however recurring financial problems over the years resulted in the Legislature considering alternative arrangements. House Bill 3502 (2005) moved the State Fair to the Parks and Recreation Department.

The Subcommittee approved package 106: Personnel Classification Adjustments; this package has reduces Lottery Funds by \$75,871, Other Funds by \$154,041, and eliminates three vacant positions (3.00 FTE). The package also reclassifies two positions.

Package 801: LFO Analyst Technical Changes was approved by the subcommittee; this package increases Other Funds expenditures by \$1,739,790 and decreases Other Fund revenues by \$1,778,790. The Other Funds expenditure limitation increase results from ongoing expenses from state fair sponsored events, contracting state fair facilities in the interval between fairs, and Facilities Equipment Replacement Sinking Fund activities. The increases in limitation include \$1,429,242 provided with the understanding that the Department of Administrative Services will unschedule this amount until sponsor and contract revenue is received. Revenue is reduced to reflect updated state fair revenue forecasts, as is the beginning balance following expenditures approved for the 2007-09 biennium by the Emergency Board at its December 2008 meeting.

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State Fair Debt Service

During the 1999-2001 biennium, with assistance and approval from a legislative task force, the agency developed a facilities improvement plan. The construction and renovation projects in this plan, called the Master Plan, are designed to increase the market capacity and profitability of the State Fair's facilities. Phase One of the plan, which included the renovation of several buildings and the replacement of two structures, is complete. Phase Two of the plan, which built a 5,000 seat Multipurpose Pavilion suited for a variety of shows and events, was completed in late summer 2004, in time for the 2004 State Fair. A total of \$20.5 million in Lottery revenue bonds have been sold to support these two phases. The Subcommittee approved a total funds budget of \$4,093,009 and no full-time equivalent positions. There are no policy packages in this program.

Deleted: House Bill 3502 (2005) added responsibility for the Debt Service for these bonds to the Parks and Recreation Department portfolio.

Summary of Performance Measure Action

See attached Legislatively Adopted 2009-11 Key Performance Measures form.

