

Parks and Recreation Department

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved*	2019-21 CSL LFO	2019-21 Governor's Budget
General Fund		218,894	228,729	273,580	273,580
Lottery Funds	78,504,001	100,597,217	108,856,337	109,690,538	116,823,167
Other Funds	102,346,202	99,889,179	101,632,140	98,722,769	126,010,604
Federal Funds	7,266,847	16,389,923	16,422,002	10,294,950	16,690,443
Total Funds	188,117,050	217,095,213	227,139,208	218,981,837	259,797,794
Positions	847	867	867	867	871
FTE	576.26	596.05	596.05	599.79	603.43

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The State Parks and Recreation Department (OPRD) 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.

OPRD operates under the direction of a seven-member Commission. The Parks Commission establishes OPRD policy, rules, and goals, approves acquisitions of property for state parks, sets rates for use of park facilities, and establishes the department's biennial budget request.

The Department manages park lands covering 109,551 acres. These include 58 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 – (5 positions, 5.00 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 – (81 positions, 79.69 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 – (743 positions, 477.10 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 – (29 positions, 29.00 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 for the agency includes adjustments from the 2017-19 legislatively adopted budget for:

- Biennial reconciliation of permanent positions authorized in the 2017-19 budget: \$4.55 million (including Services and Supplies)
- Legislative actions taken subsequent to the legislatively adopted budget, including Emergency Board actions through March 2018
 - \$200,000 for Sudden Oak Death treatment
 - \$20,000 for trail repair in Chetco Bar area
 - \$2.66 million for authorized position adjustments and collective bargaining agreements negotiated by the Governor
- Debt service for bonds issued in the 2017-19 biennium: \$221,510
- Vacancy savings reduction (increase in budgeted expenditures) of \$2.66 million
- Personal Services adjustments not included elsewhere including; temporary appointments, overtime, and associated taxes: \$356,384
- Phase-out of one-time funded activities or programs funded in the 2017-19 budget, including reductions for:
 - \$200,000 for Sudden Oak Death treatment
 - \$20,000 for trail repair in Chetco Bar area
 - \$7.6 million for bond proceeds and bond issuance costs for the Main Street program
 - \$1.4 million for FEMA funded clean-up and repair projects

- \$6.6 million for federally funded grant programs
- Inflation, both standard inflation at a rate of 3.8% for most Services and Supplies expenditures, and extraordinary inflation for certain authorized items: \$5.14 million
- Increases in state government service charges: \$1.93 million

Additional changes that were made in the 2017-19 budget for the Parks Department after April 2018 are not contemplated in the current service level budget for the agency, but are captured in the legislatively approved budget. Typically, adjustments made to the agency's budget during this part of the interim are for one-time funding or expenditure authority, and therefore, require no additional accommodation in the upcoming biennium's budget.

The current service level budget shows minimal growth of \$1.9 million (0.9%) over the legislatively adopted budget, however, the agency has pursued the policy of phasing-out all grant funding from the current service level and subsequently including those carried-over or anticipated grant funds in policy option packages. This artificially lowers the current service level by not accounting for grant expenditures that are either extremely likely or statutorily required.

Biennialized costs of position actions totaling \$4.4 million included the full roll-up of the 27 positions that were established in the 2017 session, biennialization of salary pot distributions made in the 2018 session for position actions during the 2017-19 biennium, and adjustments to the minimum floor salary for certain represented employees.

Vacancy savings were artificially increased due to statewide adjustments made to produce budgetary reductions in the 2017-19 biennium. Therefore, the base budget for vacancy savings carried forward to the 2019-21 biennium is overstated by \$2.8 million, thus necessitating the significant adjustment noted above to bring vacancy savings in line with actual anticipated savings.

Amounts above standard inflation total roughly \$1.6 million and are accounted for by increased charges from the Department of Administrative Services for rent and fleet services, increased utilities costs, and additional projected lottery funds revenue dedicated to local government grant programs.

Lottery revenue projections increased by \$14 million in the 2017-19 biennium adding an additional \$6.6 million to the beginning lottery funds balance for the upcoming biennium, however, lottery revenues are anticipated to level off and perhaps decrease slightly in 2019-21.

Policy Issues

Governor's Budget

The Governor's budget adds just over \$40.8 million in additional spending over the current service level for the 2019-21 biennium; an increase of 18.6%. The expenditures are heavily weighted towards the use of Other Funds, predominately funded with park user fees. It is also notable that the proposed expenditures rely significantly on the use of fund balances rather than new revenues; \$9.8 million from Lottery Funds and \$19.1 million from Other Funds.

Two of the proposed policy option packages reestablish and update spending on existing activities. \$12.0 million in expenditure authority is reestablished for federal and state grant programs and another \$4.0 million in expenditure authority is added for special projects funded from specific revenue sources.

A budgetary shortfall in the agency's current service level was created when the agency moved to contracted call-center operations. The positions that were previously used for this purpose were repurposed to other uses rather than being eliminated without the agency making a budgetary provision for the contracted services that were being used, thus creating a \$1.2 million budget shortfall. OPRD was provided a one-time increase in expenditure limitation by the Emergency Board for the 2017-19 biennium. The Governor's budget includes an ongoing increase in Other Funds expenditure limitation for this purpose.

The Governor's proposal invests an additional \$10.5 million in upgrades, improvements, and new acquisitions for state park properties and another \$7.5 million to create "signature" projects to commemorate the 100th anniversary of the Parks Department in 2022.

Four additional positions are requested in the Governor's proposal. One limited-duration position to map underground infrastructure at state parks, one limited-duration position to manage the Salmonberry Trail project, an ongoing park region manager, and a project manager to implement a concessions strategy that is being developed by a contracted consultant.