

## Oregon Parks and Recreation Commission

May 8, 2008

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Agenda Item: 9

Action

Topic: 2009-11 Agency Request Budget

Presented by: Lisa Van Laanen

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**Background:** The department is required to submit its 2009-2011 recommended budget (Agency Request Budget) to the Budget and Management Office of the Department of Administrative Services by June 30, 2008. The commission has considered the recommendations of staff during work sessions at the March 2008 meeting of the commission and in today's workshop. The recommended budget addresses the following priorities:

- a. Achieve balance between backlog reduction, acquisition, and local government grant programs
- b. Fully fund backlog to achieve goal of reduction to near zero by 2014
- c. Bring fees to market rates (incrementally)
- d. Accomplish Park-a-Year objectives
- e. Improve management of ocean and ocean shore resources and support the Governor's marine reserves initiative
- f. Improve management of capital assets through full implementation of HUB
- g. Improve management of natural resources and establish resource management program
- h. Fully implement the field reclassification initiative to bring salaries, responsibilities, and professional development for field employees in alignment

The estimated budget is based on currently forecasted beginning balances, revenues, expenditures, necessary ending balance reserves and dedicated ending balances. The expenditures include an estimate for increases in personal services, inflation, a fund shift and other required budget adjustments. (Attachment A).

Because there is a significant shortfall in the "other fund" revenues (approx \$24.024 million) projected for 2009-2011, it is necessary to propose reductions to balance the other fund revenues with expenditures. This shortfall has been driven by several factors: reduction of RV license revenue through enactment of Senate Bill 29, fee waiver programs, increases to services charges and operating costs, and increased personnel costs. A policy option package that reduces other fund Supplies and Services expenditures is proposed to resolve this issue.

The budget proposes shifting available lottery funds to restore the reductions in other funds and fund the following policy option packages: Ocean Shores, ATV, Position Liability, Natural

Heritage Program, increase user fees, and shift State Fair Debt Service to non Measure 66 Lottery Funds. (Attachment B).

In order to have adequate lottery funds available, it is recommended to reduce the following programs from the 2007-2009 level. These reductions are:

<u>Program</u>	<u>2007-2009</u>	<u>2009-2011</u>	<u>Change</u>
Acquisitions	\$22 million	\$18.9 million	\$<3.1>
Facility Investment	\$18.34 million	\$17.14 million	\$<1.2>
Local Government Grants	\$15.78 million	\$14.28 million	\$<1.5>

Since there will be additional Lottery Fund forecasts before the Agency Request Budget is finalized, the Department would prioritize equal increases to FIP, Acquisitions and Local Grants should the forecast increase.

The Department currently has 16 legislatively approved Performance Measures. A budget note in the 2007-09 budget bill required the Department to review its Performance Measures. After the review, the Department is proposing to drop 5 measures, modify 3 measures and add 1 new measure. This would result in the Department having 12 Performance Measures that are reported on annually. (Attachment C)

**Action Requested:** Staff requests that the commission approve the attached budget proposal and performance measures.

**Prior Action by Commission:** At the January 2008 meeting a work session was held; at the March 2008 meeting an update was provided.

Prepared by: Tanya Crane

#	Proposed Key Performance Measures (KPMs)	Comments	Programs
1	CITIZEN SATISFACTION– Percent of Oregonians who believe that Oregon is doing a “Very or Somewhat Good” job of providing parks and natural areas and preserving Oregon’s heritage.	Differs from #7 because this is a survey of all Oregonians – not just customers.	All agency programs
2	PARK VISITATION – Visitors per acre of Oregon State Parks and Recreation Department property.	Revising to provide a better measure of park utilization. Considering benchmarking this measure with other western states based on data available from the National Association of State Parks Directors.	Park operations, public services, recreation programs and planning
3	HERITAGE PROGRAM BENEFITS – Number of properties, sites, or districts that benefit from an OPRD-managed heritage program.	Change data source to properties listed on the National Register. Measure progress toward increasing the number of sites protected through listing on the national register. Allows benchmarking with other states.	Heritage programs
4	PROPERTY ACQUISITION – Percentage of identified acquisitions needs met.	Change to percent of acquisition needs met. Needs identified in the department’s Investment Strategy Report	Acquisition, recreation grants, recreation programs and planning
5	ALTERNATIVE CAMPING FACILITIES – Percent of alternative camping opportunities (yurts, cabins) per total campsites available.	Keep as is - indicator of providing outdoor recreation opportunities for broader citizen group.	Operations, FIP
6	FACILITIES BACKLOG – Percent reduction in facilities backlog since 1999.	Keep as is	Operations, FIP
7	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.	Keep as is	Field Operations, RNW
8	STATE FAIR REPEAT ATTENDANCE – Percentage of fairgoers who have visited the Oregon State Fair at least once every other year.	Keep as is	State Fair planning and programs
9	EXPOSITION EVENTS – Percentage increase in annual Exposition Center gross revenue.	Keep as is	Expo planning and programs

#	Proposed Key Performance Measures (KPMs)	Comments	Programs
10	COMMISSION BEST PRACTICES – Percent of total best practices met by the State Parks and Recreation Commission.	Keep as is	Commission
11	GRANT PROGRAMS - Percent of Oregon Communities that benefit from an OPRD Grant Program	New - Number of communities – counted as a county, city or district – that receive a grant divided by the total number of eligible communities	Recreation Programs and Planning and Heritage Programs
Delete	RECREATION AND HERITAGE GRANTS FUNDED – Percent of all qualified local recreation and heritage grant requests funded.	Drop.	Heritage and recreation grant programs
Delete	GRANT PAYMENTS – Percent of grant projects fully executed within 730 days.	Drop.	Heritage and recreation grant programs
Delete	INTERPRETIVE SERVICES – Percent of parks that have achieved designated level of service as prescribed in the Regional Interpretive Framework.	Drop.	Interpretive programs
Delete	BEACH AND RIVER ACCESS SITES – Number of new beach and river access sites added to the state parks system.	Drop	
Delete	NEW TRAILS – Miles of new trail added to the state parks system.	Drop	

Oregon Parks and Recreation Department  
 Comparison of Revenues and Expenditures  
 Attachment A

	2005-07	2007-09	2009-11
Estimated Beginning Balance	34,784,823	33,890,777	29,956,653
Loc Govt Grant Program	3,359,715	3,359,715	3,344,061
Non Dedicated Lottery	11,247,992	6,210,845	2,311,929
Total Lottery	14,607,707	9,570,560	5,655,990
State Fair		2,046,232	2,727,924
ATV	10,264,127	14,628,132	15,700,185
Trust and Sink Funds	5,459,593	7,627,968	5,764,171
Non Dedicated Other	4,453,396	17,885	108,383
Total Other	20,177,116	24,320,217	24,300,663
Total Beginning Balance	34,784,823	33,890,777	29,956,653
Revenues			
Lottery	82,483,070	104,858,321	104,489,412
Non Measure 66 Lottery			4,098,085
General Fund			19,624
ATV	10,440,920	11,044,752	13,282,496
Trust and Sinking Fund	7,087,778	5,762,746	5,780,161
State Fair	8,732,879	11,579,723	14,453,254
Park User Fees	32,063,154	32,595,586	33,045,160
Fee Increase			4,300,000
RV Fees	26,288,887	24,660,875	23,414,473
ODOT Transfers	4,880,315	5,468,261	5,107,226
Other	8,673,496	7,593,076	8,973,280
Federal	6,618,873	8,159,193	7,623,535
Total	187,269,372	211,722,533	224,586,706
Available Revenues	222,054,195	245,613,310	254,543,359
Expenditures			
Personal Services	60,203,326	69,385,822	76,404,005
Service and Supplies	38,737,781	43,959,708	50,190,667
Capital Outlay	5,545,226	4,191,321	4,309,893
Special Payments	10,720,378	12,939,500	18,173,066
Debt Service	15,145,679	4,235,070	4,098,085
FIP	33,122,047	29,947,277	18,900,000
Acquisitions	7,382,821	21,739,224	17,140,000
Local Govt Grants	6,622,053	15,285,391	14,280,000
State Fair	10,684,107	13,973,344	14,572,757
Total	188,163,418	215,656,657	218,068,473
Estimated Ending Balance			
Loc Govt Grant Program	3,359,715	3,344,061	3,357,178
Non Dedicated Lottery	6,210,845	2,311,929	383,556
Total Lottery	9,570,560	5,655,990	3,740,734
State Fair	2,046,232	2,727,924	6,099,940
ATV	14,628,132	15,700,185	13,017,484
Trust and Sink Funds	7,627,968	5,764,171	6,394,556
Non Dedicated Other	17,885	108,383	7,222,172
Total Other	24,320,217	24,300,663	32,734,152
Total Ending Balance	33,890,777	29,956,653	36,474,886
Reserves			
Salary and Benefits	1,638,961	0	4,815,786
Field ReAllocation	0	0	521,111
Bonds Held in Trust	1,582,748	0	0
Operating Cash	1,500,000	17,885	3,500,000
Total	4,721,709	17,885	8,836,897

Oregon Parks and Recreation Department  
Attachment B

Package Title	Pkg Description	GF	LF	LF (Non-BM66)	OF	FF	Pos	FTE
Reduce Other Fund Expenditures	This package reduces Other Fund expenditures to stay within revenue. These reductions will be restored with a fund shift, fee increase and reductions in programs.				(\$23,918,117)			
OF to LF Fund Shift	This package shifts available Lottery funds to restore Other Fund reductions.		\$10,675,837					
Budget Reductions	This package reduces Acquisitions, Local Government Grant Program and FIP.		(\$5,733,518)					
Budget Restorations	This package uses funds removed from Acquisitions, Local Government Grant Program and FIP to restore necessary portions of the OPRD budget.		\$5,733,518					
State Fair Debt	This package would shift the fund source for State Fair Debt Service to non Measure 66 Lottery Funds. This would allow Measure 66 Lottery Funds to be spent on projects identified in the measure.		(\$4,098,085)	\$4,098,085				
Increase Fees	Fees for OPRD services have not been increased since the mid 1990s. At this time, revenue from fees are flat at a time when expenditures are increasing. A fee increase will allow OPRD to continue to fund a major portion of its Operations budget with fee revenue.				\$4,300,000			
Ocean Shore Coordination	This package provides a permanent full time position with duties related to OPRD's responsibilities for the Ocean Shore Management Plan, wave energy project oversight and support of the Ocean Policy Advisory Council. This position will serve as OPRD's expert on Ocean Shore related statutes, rules and policies and provide a technical resource for coastal coordinators working in the field.		\$156,727				1	1.00
Position Liability Clean up	This package will resolve a number of position related issues that have developed over a number of years which have resulted in liabilities to the agency.		\$549,113		\$176,413	\$7,070	3	4.55
ATV Program	This enhancement to the ATV program provides safety education and associated law enforcement and includes a new position.				\$4,313,661		1	1.00
Tfir Natural Heritage Prg	This package (tied to a Leg Concept) transfers the Natural Heritage Program from Dept of State Lands to OPRD. The transfer would occur Jan1, 2010 and OPRD would maintain the current program.	\$19,624				\$100,358		
		\$19,624	\$7,283,592	\$4,098,085	(\$15,128,043)	\$107,428	5	6.55