

Oregon Parks and Recreation Commission

November 19, 2009

Agenda Item: 4a

Information

Topic: Budget Update

Presented by: Lisa Van Laanen

The Department is preparing for a continued decline in Lottery Fund revenues and any declines in Other Fund revenue sources. Internally each Directorate of the Department, by October 29th, has prepared 5, 10 and 20% reduction options from the 2009-11 Legislatively Adopted Budget.

The Department has already made the decision not to immediately use ending balance reserves to cover the current decline in Lottery Fund revenue; this option will be saved for any late biennium down turns. In the interest of being cautious, the Department will look for reductions and unanticipated cash carryover to cover the initial Lottery Fund revenue decline reported as part of the September 2009 state revenue forecast. Prudently cautious spending at the end of the 2007-09 biennium allowed the Department to carry over more cash than anticipated during the legislative session.

In preparation for the upcoming Supplemental Session of the Legislature, the Legislative Fiscal Office (LFO) has requested that the Department provide 10% Lottery Fund reduction options in 5% increments by November 13th. In addition, LFO has requested updated cash ending balances for the 2007-09 and 2009-11 biennium's by October 30th.

The Department's executive team will review the reduction options proposed by the Assistant Directors to make several decisions:

1. What reductions to make to cover the September 2009 forecasted decline in Lottery Funds
2. What reductions to place on the list requested by LFO
3. What, if any, other spending to hold back in anticipation of further revenue declines.

The next state revenue forecast is due December 1, 2009; however, it is anticipated that the forecast will be released around Thanksgiving. Around that same time, the Department will have a new internal forecast of Other Fund revenue sources.

Prior Action by Commission: None

Action Requested: None

Prepared by: Lisa Van Laanen

Oregon Parks and Recreation Commission

November 19, 2009

Agenda Item: 4b Information

Topic: Financial Restructuring Project-Update

Presented by: Lisa Van Laanen

Since the September 2009 Commission meeting, the Financial Restructure team has consulted with, and solicited feedback and direction from, the Department of Administrative Service's Budget and Management unit, Statewide Audit and Budget Reporting Section and the Legislative Fiscal Office. All stakeholders were supportive of OPRD advancing a proposal to change the budget structure to better align the financial structures to the agency business functions and priorities.

Based on the feedback received, OPRD will continue efforts to make the necessary changes to our current budget structure with the anticipation that the new function based structure will be in place by 2011-2013. The proposed financial restructure changes will be reflected in the Agency Request Budgets which will come to the Commission for approval during the 2011-2013 budget building processes.

Additionally, the Financial Restructure team is developing policy to create a process to evaluate the financial structures during each budget building cycle to insure the necessary alignment needs are being met.

The Financial Restructuring Project is currently on schedule and estimated to be completed by November 2009. Commission approval will not be necessary for the project completion, however, approval will be sought during the Agency Request Budget process to make the structural changes necessary to realign the agencies budget to gain flexibility and meet agency priorities.

Finally, the agency will pursue support from Budget and Management to explore opportunities between Agency Request Budget and the Governor's Recommended Budget to reallocate the distribution of the agency's funding sources. In order to implement the funding changes, efforts are dependent on agreement and support from the Budget and Management unit at DAS. If supported, Commission approval on how funds should be allocated will be sought at the March Commission meeting.

Prior Action by Commission: None

Action Requested: None

Prepared by: Lisa Van Laanen

Oregon Parks and Recreation Commission

November 19, 2009

Agenda Item: 4c

Information

Topic: State Closure and Furlough Plan

Presented by: Lisa Van Laanen

Background

Cost Reduction Initiative

The current recession has reduced state revenues, and has forced the Legislature to make deep cuts in agency budgets. To address the state budget short-fall the Governor initiated a set of cost reduction initiatives. These initiatives affect all employees in the Executive Branch. The initiatives include a salary freeze, limitations on management vacation accrual, and mandatory unpaid time off.

Most state offices and facilities will be closed on the days listed below and the employee will take unpaid furloughs on those days. The number of furlough days is based on salary and is tiered at 10, 12, and 14 days during the remainder of the biennium. Most agencies and programs will be closed on ten specific days during the biennium. Those closure days are:

2009	2010	2011
Friday, October 16, 2009	Friday, March 19, 2010	Friday, March 18, 2011
Friday, November 27, 2009	Friday, April 16, 2010	Friday, May 20, 2011
	Friday, June 18, 2010	
	Friday, August 20, 2010	
	Friday, September 17, 2010	
	Friday, November 26, 2010	

The offices will be closed and a sign posted on the door. All voice mail and email out of office will reflect the designated closure message.

The designated closure days will not affect the OPRD Field Operations, Field Support, RNW, and Oregon Exposition Center. These entities will schedule the appropriate furlough days on a float basis, similar to vacation leave requests.

For the 2007-09 biennium, OPRD actually saved \$59,420.48 due to management furlough days. DAS actually unscheduled \$68,486.27 in limitation from OPRD's 2007-09 budget in anticipation of furlough savings. The cash saved was added to the Department's ending cash balance.

For the 2009-11 biennium, during the legislative session, LFO removed \$2,405,616 from the Department's limitation for salary savings. Salary savings was to include furlough days for all staff and salary freezes. It is estimated that furloughs will save the Department \$2,086,423 in the current biennium. At this time, it is unknown if any of the cash savings will be swept to the state General Fund.

Prior Action by Commission: None

Action Requested: None

Prepared by: Lisa Van Laanen