

Oregon Parks and Recreation Commission

June 29, 2016

Agenda Item: 5a

Information

Topic: 2015-17 Budget Update

Presented by: Tanya Crane, Budget Manager

The June 2016 Lottery forecast was released June 3, 2016. It reflects an increase in Lottery Fund revenue for the Department of \$2,788,556. Since the close of session, the Lottery Fund revenue forecast has increased by \$6,937,771. The Department’s budget was built on a Lottery Fund revenue forecast of \$84.7 million and the June 2016 forecast is \$91.6 million. The table below reflects the change in the Lottery revenue forecast for the 2015-17 biennium and beyond.

Lottery Forecast History (2015-17 Biennium): OPRD's Share of PNRF						
	2015-17		2017-19		2019-21	
Forecast Date	Forecast	Change from Prior Forecast	Forecast	Change from Prior Forecast	Forecast	Change from Prior Forecast
June 2015 Forecast (released 5-14-2015)	\$84,694,230	NA	\$94,442,537	NA	\$100,703,564	NA
September 2015 Forecast (released 8-26-2015)	\$85,108,701	\$414,471	\$94,404,487	(\$38,050)	\$100,296,114	(\$407,450)
December 2015 Forecast (released 12-2-2015)	\$86,992,537	\$1,883,836	\$95,769,504	\$1,365,018	\$101,903,949	\$1,607,835
March 2016 Forecast (released 2-10-2016)	\$88,843,444	\$1,850,907	\$97,556,126	\$1,786,621	\$103,764,916	\$1,860,967
June 2016 Forecast (released 6-3-2016)	\$91,632,001	\$2,788,556	\$93,424,529	(\$4,131,597)	\$100,252,861	(\$3,512,055)
Total Cumulative Change		\$6,937,771		(\$1,018,008)		(\$450,703)

According to the Office of Economic Analysis (OEA), healthy economic growth and the deployment of new video lottery terminals has led to greater than expected revenue collections; this results in the increase seen for 2015-17. OEA goes on to note that projected lottery revenue for the 2017-19 and 2019-21 biennia has been lowered due to the scheduled opening of the Cowlitz Tribe casino in the Portland area in the spring of 2017. This opening is being included in the forecast for the first time. The Portland area accounts for more than half of the video lottery sales in the state, and the opening of a casino nearby may increase competition for gaming dollars. However, there is a large degree of uncertainty regarding the casino, and it is difficult to estimate the economic impact to lottery revenues at this point.

The following OPRD items were approved at the May 2016 meeting:

1. Increase federal funds by \$29,214 to correct federal fund limitation granted during the February 2016 session for the salary package.
2. Increase other funds limitation by \$615,500 for two grants awarded to the Department by the Oregon State Marine Board for projects at Bullards Beach and Lake Billy Chinook.

3. Grant retroactive permission to submit a federal grant application on behalf of Southern Oregon Land Conservancy to the US Fish and Wildlife Services Cooperative Endangered Species Conservation Fund as the designated state agency under Section of the Endangered Species Act.

Prior Action by Commission: Details of the 2015-17 LAB were provided at the September 2015 meeting. An update was provided at the February and April 2016 meetings.

Action Requested: None.

Attachments: None.

Prepared by: Tanya Crane

Oregon Parks and Recreation Commission

June 29, 2016

Agenda Item: 5c

Action

Topic: 2017-19 Agency Request Budget

Presented by: Tanya Crane

In order to meet budget development deadlines, the 2017-19 Agency Request Budget needs to be approved at this meeting. All position actions must be in the Position Inventory Control System (PICS) by June 30, 2016. All policy packages must be in the Oregon Budget Tracking Information System (ORBITS) by July 31, 2016. The agency's budget narrative must be completed, combined with audited ORBITS and PICS reports, signed by the Commission Chair and submitted to DAS by September 1, 2016.

Information on revenues, expenditures, policy packages and reduction options are being finalized. A final recommendation will be reviewed in work session with approval during the business meeting.

Handouts for the work session and meeting will include the following information:

- A. Revenues
 - a. Lottery Fund
 - b. Other Fund
 - c. Federal Fund
- B. Expenditures
 - a. Base Budget
 - b. Personal Services
 - c. Phase In and Out
 - d. Standard Inflation, Exceptions
 - e. Current Service Level
 - f. Reductions to available funding
 - g. Policy Packages
- C. Ending Balance
 - a. Appropriate Reserves (Cash Flow, Salary/Benefits)
 - b. Unobligated Balances
- D. Next Steps
 - a. Input to Budget System
 - b. Reduction Options (10% by fund type required by law)

Prior Action by Commission: A budget workshop on the process was provided at the November 2015 meeting. A budget development preview and update was provided at the April 2016 meeting. Key Performance Measure changes were approved at the April 2016 meeting.

Action Requested: Approve the 2017-19 Agency Request Budget.

Attachments: None.

Prepared by: Tanya Crane