

## Oregon Parks and Recreation Commission

June 15, 2022

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Agenda Item: 4b **Action**

Public Comment Allowed: Yes

Topic: 2023-25 Agency Request Budget

Presented by: Tanya Crane, Budget Manager

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In order to meet budget development deadlines, the 2023-25 Agency Request Budget needs to be approved at this meeting. All position actions must be in the Oregon Position Inventory Control System (ORPICS) by June 30, 2022. All policy packages must be in the Oregon Budget Tracking Information System (ORBITS) by July 31, 2022. 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, 2022.

Information on revenues, expenditures, policy packages and reduction options are being finalized. The budget recommendation will be reviewed in work session with final approval requested 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 (if necessary)
  - g. Policy Packages
- C. Ending Balance
  - a. Appropriate Reserves (Cash Flow, Salary/Benefits)
  - b. Unobligated Balances
- D. Reduction Options (10% by fund type required by law)
- E. Next Steps
  - a. Input to Budget System
  - b. Budget Narrative

**Prior Action by Commission:** A budget workshop on the process was provided at the November 2021 meeting; a workshop on revenues was presented at the February 2022 meeting; a workshop on expenditures was presented at the April 2022 meeting.

**Action Requested:** Approve the 2023-25 Agency Request Budget.

**Attachments:** None.

**Prepared by:** Tanya Crane, Budget Manager

Addendum to Item 4b

The Department has created the 2023-25 Agency Request Budget. This work included projecting revenue sources for the biennium, calculating the current service level budget, determining any needed policy packages, and determining necessary reserves for cash flow and possible employee compensation plan changes.

**Revenue Discussion:** Below is a chart that shows the Department’s projected Beginning Cash Balances and projected Revenues. Dedicated Lottery fund revenues are based on the June 2022 statewide revenue forecast of \$136.1 million; non-dedicated Lottery funds are \$4.5 million for Debt Service. Other Fund revenues total \$122 million with Park User Fees providing \$65 million. Federal Fund revenues are projected to be \$22.5 million. General Fund debt service funds are \$9.25 million.

<b>Beginning Balances:</b>		<b>Revenues:</b>	
Local Govt Grants	26,173,756	Non Business License/Fees	2,314,701
RV County Grants	1,492,935	Park User Fees	64,980,074
OR Prop Mgmt Acct	77,345	Interest Income	2,012,475
Main Street	9,612,439	Sales Income	3,429,747
ATV Funds	9,957,851	Other Revenues	8,555,069
Trust/Dedicated Funds	13,334,901	General Fund	9,250,991
Cash Flow*	27,257,484	Federal Funds	22,542,959
Non Dedicated	54,652,444	From DAS - M76	136,119,213
Total	142,559,155	From DAS - non M76	4,516,798
		From Business Oregon	280,000
*Cash flow breakdown:		From Marine Board	400,000
OR Prop Mgmt Acct	125,000	From ODOT	60,971,538
ATV Funds	5,742,000	Transfer to Counties	(16,105,204)
Trust/Dedicated Funds	1,290,484	Transfer to State Police	(1,001,954)
General Operations	20,100,000	Transfer to Forestry	(2,251,097)
Total	27,257,484	Transfer to ODOT	(823,804)
		Total	295,191,506

**Expenditure Discussion:** The Department’s base budget is \$285.6 million including increases in Personal Service costs and Debt Service. Allowable inflation rates and State Government Services Charges increases add \$7.9 million to the budget; however, phasing out limitation associated with one-time expenditures reduces the budget by \$25.3 million creating a Current Service Level (CSL) budget of \$268.2 million. Policy packages costing \$96.9 million bring the total budget request to \$365.1 million.

Below are charts that show the Department’s policy packages and the Department’s expenditure limitation by Summary Cross Reference (SCR). The Legislature will approve the Department’s budget at the SCR level.

<b>Policy Packages:</b>		<b>Budgets by SCR (including packages):</b>		<b>Pos</b>	<b>FTE</b>
101 Fund Operational Costs	487,693	Director's Office	2,838,067	5	5.00
102 Honor Grant Awards	13,202,893	Central Services	63,987,251	93	90.90
103 LGGP to 25%	17,695,497	Park Development	42,608,116		
104 LGGP 13% Carryover	17,848,188	Direct Services	149,430,724	747	541.71
105 Auth Federal Grants	7,924,772	Community Support/Grants	106,241,528	29	28.64
106 Reservation System	2,275,000	Total	365,105,686	874	666.25
107 Inc Ranger hours	4,650,449				
108 Invest repair/maint	16,250,000	Acquisitions	4,000,000		
109 Add S&S	1,632,868	Facilities Construct/Maintain	38,608,116		
110 Impl Agy Efficiency LC	214,206	Local Government Grants	51,877,991		
111 Impl ATV Safety LC	30,620	Total	94,486,107		
112 Add Staff - workload	1,709,335				
113 Invest in Technology	4,310,773				
114 Customer Svc Projects	3,429,356				
115 Auth ATV grant increase	3,000,000				
116 Add new parkland	2,245,233				
Total	96,906,883				

Based on projected Beginning Balances, revenues and expenditures, the Department will continue to have an ending cash balance. The chart below shows the projected Ending Balance and the dedicated balances plus reserves.

<b>Ending Balances:</b>		<b>*Cash flow breakdown:</b>	
Local Govt Grants	8,325,568	OR Prop Mgmt Acct	110,000
RV County Grants	1,271,147	ATV Funds	6,850,000
OR Prop Mgmt Acct	2,438	Trust/Dedicated Funds	2,034,228
Main Street	812,439	General Operations	26,600,000
ATV Funds	5,389,887	Total	35,594,228
Trust/Dedicated Funds	8,982,584		
Cash Flow*	35,594,228		
Reserve - Salary/Wages	10,576,684		
Reserve - ODOT ATV	855,984		
Reserve - Parity Issue	200,000		
Non Dedicated	634,016		
Total	72,644,975		

**Reduction Options:**

The Department is required to include reduction options in the Agency Request Narrative/Budget Book. Options must equal 10% for each fund type at the Modified Current Service Level (CSL). Modified CSL is the CSL adjusted for any revenue reduction packages. Debt Service may be excluded from CSL.

This list is not entered into the budget system. It provides options for the Governor and the Legislature if reductions are necessary during those stages of budget development.

The table below shows the proposed list of reductions:

		GF	LF	OF	FF	TF
Current Service Level			123,805,172	119,152,134	11,473,708	254,431,014
Pkg 070 Reductions						0
Modified CSL		0	123,805,172	119,152,134	11,473,708	254,431,014
	10%	0	12,380,517	11,915,213	1,147,371	25,443,101
Reduction Options:						
Remove Inflation from budget		0	1,870,209	2,416,359	465,862	4,752,430
Reduce/Elim Small Grant limitation				3,573,680	681,509	4,255,189
Acquisition			684,037			684,037
Reduce ATV accts 10%				1,220,654		1,220,654
Reduce T&D accts 10%			54,314	861,235		915,549
Reduce S&S/CO DO, CS, DS 18.52% across board			3,320,984	3,778,791		7,099,775
Reduce S&S/SP HP, 10% across board			122,693	53,064		175,757
Reduce S&S GA 10% across board			1,206	11,430		12,636
Reduce FIP			6,327,074			6,327,074
						0
						0
						0
		0	12,380,517	11,915,213	1,147,371	25,443,101