

Oregon Parks and Recreation Commission

February 11, 2015

Agenda Item: 8a

Information

Topic: 2013-15 Budget Update

Presented by: Tanya Crane

For the 2013-15 biennium, the Lottery forecast has been both up and down - in the last 6 months it has been down \$1.2 million and up \$716 thousand. The March 2015 Lottery forecast is scheduled for release February 19, 2015.

At the September 2014 Commission meeting, the Department reported that it would be taking actions to adjust for the decline in the September Lottery Forecast. At the November 2014 Commission meeting, the Department reported that the increase in the forecast returned OPRD to a positive forecast position.

The Executive Team, after looking at the volatility in the last 2 forecasts, determined that it would be prudent to create a savings plan now in advance of potential further declines in the current biennium forecast. If the reductions taken are not needed to balance the 2013-15 biennium, the cash will be available in the 2015-17 biennium to soften the impact of potential forecast declines.

Based on remaining budgets after the close of the October 31, 2014 accounting month, each appropriation for the Department was reduced by 3%. All of the divisions/sections within the appropriation were asked to reduce expenditures between December 2014 and the end of the biennium (June 30, 2015). Department-wide, excluding the Oregon Exposition Center, the targeted reduction amount is \$1,615,145 in total funds.

Prior Action by Commission: Initial information on the Legislatively Adopted Budget (LAB) was provided at the July 2013 meeting. Details of the 2013-15 LAB were provided at the September 2013 meeting. Updates have been provided at the February, April, June, September and November 2014 meetings.

Action Requested: None.

Attachments: None.

Prepared by: Tanya Crane

Oregon Parks and Recreation Commission

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Agenda Item: 8b

Information

Topic: 2015-17 Budget Update

Presented by: Tanya Crane

The Governor's Budget was released December 1, 2014. There were a number of changes to the Agency Request Budget. A summary is provided below:

1. Adjustments were made to reduce the Attorney General (AG) hourly rate and State Government Service Charges from the Department of Administrative Services (DAS). \$7,764 and \$362,821 respectively, total funds.
2. Minor adjustments to the package removing the Oregon State Fair and Exposition Center (OSFEC) from the budget – adjustments to AG hourly rates and correction of round issue. \$2,174 and \$1 respectively, total funds.
3. After discussions with DAS Chief Financial Officer (CFO), OPRD revised the request to retain positions and FTE from the OSFEC. OPRD is now proposing to keep 5 positions (instead of 24) and have 5 to 8 months of funding on each position (instead of 1 month) creating viable seasonal positions. All positions are proposed as Park Ranger Assistants. Decreased total fund cost from \$137,799 to \$135,238, increased FTE from 1.11 to 1.41.
4. Reductions to match decline in the Lottery Fund forecast between June 2014 and December 2014 of \$4,275,243.
 - a. Reduce the Local Government Grant Program to 12% of the forecast \$511,357 Lottery Funds
 - b. Reduce Acquisitions by \$900,000 Lottery Funds
 - c. Remove standard inflation \$1,385,192 Total Funds
 - d. Reduce Services and Supplies, Capital Outlay and Special Payments across the board (excluding Acquisition, State Government Service Charges) \$1,478,694 Total Funds

With the reduction to Other Funds spending limitation, the Department does not need to reduce as much Lottery Fund spending limitation. What the agency will do is shift the mix of funding that makes up the cash reserve. In the Agency Request Budget, the operating cash reserve was predominately Lottery (\$8.6M out of \$10M); the above adjustments lower the Lottery amount to \$7.35M and shifts Other Funds to \$2.65M.

The next step is the legislative process. The Department will present the Governor's budget to the appropriate subcommittee of Ways and Means. Currently the plan calls for three phases – public hearings where the agency familiarizes the committee with what the Department does, the agency's budget request and other information as requested by the committee (phase 1); discussion major issues (phase 2); work session on budget bill (phase 3).

The Governor's budget was built based on the December 2014 Lottery Forecast. The Legislatively Adopted Budget will be based on either the March or May 2015 forecast. Should the forecast decline, additional adjustment to the budget will be necessary. During this time the

Department will have the opportunity to revisit revenue projections, the need to carryover limitation and other possible technical adjustments. Budget staff will work with the agency's Legislative Fiscal Analyst to make any necessary adjustments.

Below are charts summarizing the 2015-17 Governor's Budget for the Department.

Beginning Balance:

Local Govt Grants	3,680,076
RV County Grants	625,650
Oregon State Fair/Expo	1,331,826
OR Prop Mgmt Acct	427,270
ATV Funds	1,633,376
Trust/Dedicated Funds	5,095,950
Cash Flow *	18,770,000
Non Dedicated	7,681,661
Total	39,245,809

**Cash flow breakdown:*

Oregon State Fair/Expo	748,000
OR Prop Mgmt Acct	150,000
ATV Funds	5,470,000
Trust/Dedicated Funds	602,000
General Operations	11,800,000
Total	18,770,000

Revenues:

Non Business License/Fees	2,086,327
Park User Fees	43,985,678
Charges for Services	9,481,922
Rents and Royalties	1,513,069
Interest Income	597,221
Sales Income	2,350,575
Other Revenue	7,629,058
Federal Funds	11,077,385
From DAS - M76	81,207,112
From DAS - non M76	912,494
From Business Oregon	250,000
From Marine Board	400,000
From ODOT	46,322,776
Transfer to Counties	(12,695,384)
Transfer to State Police	(559,760)
Transfer to Forestry	(1,417,198)
Transfer to ODOT	(546,000)
Total	192,595,275

Policy Packages:

070 Revenue Reductions	(9,620,250)
102 Establish Positions	135,237
103 Natural Areas funds	285,712
104 Grants to OPRD	55,000
105 Grants awarded by OPRD	1,542,867
138 Remove Fair	(15,719,496)
Total	(23,320,930)

Budgets by SCR (including packages):

Director's Office	4,760,547
Central Services	28,079,964
Park Development	21,233,387
Direct Services	97,723,666
Community Support/Grants	34,111,569
Oregon Expo Center	0
Total	185,909,133
Acquisitions	1,118,102
Facilities	
Construct/Maintain	20,115,285
Local Government Grants	8,721,410
Total	29,954,797

Ending Balance:

Local Govt Grants	3,678,404
RV County Grants	622,709
Oregon State Fair/Expo	0
OR Prop Mgmt Acct	348,610
ATV Funds	94,916
Trust/Dedicated Funds	4,433,756
Cash Flow *	16,367,000
Salary/Wage Reserve	6,913,291
Non Dedicated	341,805
Total	32,800,491

**Cash flow breakdown:*

Oregon State Fair/Expo	0
OR Prop Mgmt Acct	150,000
ATV Funds	5,476,000
Trust/Dedicated Funds	741,000
General Operations	10,000,000
Total	16,367,000

Prior Action by Commission: A budget workshop on the process was provided at the February 2014 meeting. A budget development preview and update was provided at the April 2014 meeting. Key Performance Measure changes were approved at the April 2014 meeting. The 2015-17 Agency Request Budget was approved at the June 2014 meeting. Updated information was provided at the September 2014 and November 2014 meetings.

Action Requested: None.

Attachments: Attachment A Budget Summary.

Prepared by: Tanya Crane

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Attachment A

	2015-17 All Funds	Lottery						Other						Federal	Pos	FTE	
		GF	Non M76 Lottery Funds	Non dedicated	Loc Govt Staff	Loc Govt	Total	Non dedicated	RV County Opp Grants	OSFEC	OPMA	ATV	Trust / Dedicated				Total
Beginning Balance (1)	39,245,809			7,580,623		3,680,076	11,260,699	11,901,038	625,650	2,079,826	577,270	7,103,376	5,697,950	27,985,110	0		
	0						0							0			
	0						0							0			
Adjusted Beginning Balance	39,245,809	0	0	7,580,623	0	3,680,076	11,260,699	11,901,038	625,650	2,079,826	577,270	7,103,376	5,697,950	27,985,110	0		
Revenues																	
Non Business License and Fees	2,086,327						0	525,758				1,560,569		2,086,327			
Park User Fees	43,985,678						0	42,545,113					1,440,565	43,985,678			
Charges for Services	9,481,922						0			9,481,922				9,481,922			
Rents and Royalties	1,513,069						0			1,513,069				1,513,069			
Interest Income	597,221			163,176			163,176	257,508		56,643		71,195	48,699	434,045			
Sales Income (Bus Accts)	2,350,575						0						2,350,575	2,350,575			
Other Revenue							0							0			
Ocean Shore	75,000						0						75,000	75,000			
Forest Management	200,000						0	100,000					100,000	200,000			
Heritage Funds	150,000						0			150,000				150,000			
Preventive Maintenance	591,807						0						591,807	591,807			
Park Stewardship	391,733						0						391,733	391,733			
Trust Accounts	156,000						0						156,000	156,000			
ODOT Funded Position	0						0							0			
Other Grants	5,294,347						0	5,294,347						5,294,347			
Misc Revenue	770,171						0	770,171						770,171			
Federal	11,077,385						0							0	11,077,385		
From DAS	81,207,112			71,008,354	479,020	9,719,738	81,207,112							0			
From DAS - Non M76 LF	912,494		912,494				912,494							0			
From Business Development Dept	250,000						0	250,000						250,000			
From Marine Board	400,000						0	400,000						400,000			
GF	1,015,299	1,015,299					0							0			
From ODOT							0							0			
ATV	9,900,000						0					9,900,000		9,900,000			
RV	31,546,626						0	17,440,644	14,105,982					31,546,626			
Roads	1,180,892						0	1,180,892						1,180,892			
Rest Areas	3,226,410						0	3,226,410						3,226,410			
Salmon Plate	468,848						0	468,848						468,848			
Tfr to Counties	(12,695,384)						0		(12,695,384)					(12,695,384)			
Tfr to OSP	(559,760)						0					(559,760)		(559,760)			
Tfr to Forestry	(1,417,198)			(89,201)			(89,201)	(140,454)				(1,187,543)		(1,327,997)			
Tfr to ODOT	(546,000)						0					(546,000)		(546,000)			
Total	193,610,574	1,015,299	912,494	71,082,329	479,020	9,719,738	82,193,581	72,319,237	1,410,598	11,051,634	150,000	9,238,461	5,154,379	99,324,309	11,077,385		
Revenue Impacting Policy Packages:																	
Phase out State Fair and Expo Center	(12,066,933)	(1,015,299)					0			(11,051,634)				(11,051,634)			
Tfr Cash to Council	(2,079,826)						0			(2,079,826)				(2,079,826)			
	0						0							0			
Total Revenues	(14,146,759)	(1,015,299)	0	0	0	0	0	0	0	(13,131,460)	0	0	0	(13,131,460)	0		
Total Available Revenues	218,709,624	0	912,494	78,662,952	479,020	13,399,814	93,454,280	84,220,275	2,036,248	0	727,270	16,341,837	10,852,329	114,177,959	11,077,385		
Expenditures																	
2015-17 Base Budget (post PICS freeze)	213,937,728	980,000	912,494	75,910,336	478,867	9,491,248	86,792,945	82,474,199	1,372,364	11,801,543	222,000	12,891,809	5,511,216	114,273,131	11,891,652	865	593.39
Phase In (Pkg 021)							0							0			
None.	0						0							0			
	0						0							0			
Total Phase Ins	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Phase Out (Pkg 022)							0							0			
103 RTP Grant program carryover	(1,084,400)						0							0	(1,084,400)		
109 ATV Program	(800,000)						0					(800,000)		(800,000)			
810 LFO Adjustments	0						0							0			
Carryover trails - Rogue River Cazedero	(381,000)			(381,000)			(381,000)							0			
FEMA repair at Garrison	(80,200)			(20,050)			(20,050)	(60,150)						(60,150)			
FEMA repair at Cape Lookout	(59,269)			(14,817)			(14,817)	(44,452)						(44,452)			
IT carryover: DAS email service	(92,000)			(36,009)			(36,009)	(55,991)						(55,991)			
IT carryover: LIDAR	(45,000)			(17,613)			(17,613)	(27,387)						(27,387)			
Cottonwood	(400,000)			(400,000)			(400,000)							0			
NCLC grant from US F&W	(675,000)						0							0	(675,000)		
MOA with NOAA for Tsunami debris	(250,000)						0							0	(250,000)		
Federal Grant funds (NAGPRA)	(60,000)						0							0	(60,000)		
Federal Grant funds (IMLS)	(202,410)						0							0	(202,410)		
Section 6 grant carryover	(379,000)						0							0	(379,000)		
Section 6 grant carryover	(292,611)						0							0	(292,611)		
820 Willamette Falls	(5,069,882)						0	(5,069,882)						(5,069,882)			
	0						0							0			

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Attachment A

2015-17 All Funds	GF	Lottery					Other						Federal	Pos	FTE			
		Non M76 Lottery Funds	Non dedicated	Loc Govt Staff	Loc Govt	Total	Non dedicated	RV County Opp Grants	OSFEC	OPMA	ATV	Trust / Dedicated				Total		
Total Phase Outs	(9,870,772)	0	0	(869,489)	0	0	(869,489)	(5,257,862)	0	0	0	(800,000)	0	(6,057,862)	(2,943,421)	0	0.00	
Inflation on:																		
Standard Inflation (Pkg 010)	841,182			333,650	261		333,911	461,636		49,518		(8,743)		502,411	4,860			
Standard Inflation (Pkg 031) 3 & 3.3%	3,840,027	33,794		1,295,602	2,007	284,737	1,582,346	1,217,773	41,175	232,450	6,660	318,757	166,357	1,983,172	240,715			
Exception Inflation	0						0							0				
LGGP	481,898					481,898	481,898							0				
	0						0							0				
	0						0							0				
Total Inflation	5,163,107	33,794	0	1,629,252	2,268	766,635	2,398,155	1,679,409	41,175	281,968	6,660	310,014	166,357	2,485,583	245,575	0	0.00	
Technical Adjustments (Pkg 060)																		
Move Rocky	0						0							0				
Move Deputy	0						0							0				
Technical Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
Total Adjustments	(4,707,665)	33,794	0	759,763	2,268	766,635	1,528,666	(3,578,453)	41,175	281,968	6,660	(489,986)	166,357	(3,572,279)	(2,697,846)	#	0	0.00
Current Service Level	209,230,063	1,013,794	912,494	76,670,099	481,135	10,257,883	88,321,611	78,895,746	1,413,539	12,083,511	228,660	12,401,823	5,677,573	110,700,852	9,193,806	#	865	593.39
0																		
Expenditure Policy Packages:																		
Phase out State Fair and Expo Center	(15,719,496)	(1,013,794)		(2,622,860)			(2,622,860)			(12,082,842)				(12,082,842)		(24)	(19.54)	
070 Revenue Reduction (ATV)	(1,745,007)						0					(1,745,007)		(1,745,007)				
070 Revenue Reduction (Regular Operations)	(3,600,000)			(3,356,560)			(3,356,560)	(243,440)						(243,440)				
070 Revenue Reduction (BAM Adj)	(4,275,243)			(2,338,347)	(2,115)	(536,473)	(2,876,935)	(1,397,639)		(669)				(1,398,308)				
104 Carryover - IMLS	25,000						0							0	25,000			
104 Carryover - NAGPRA	30,000						0							0	30,000			
103 Natural Areas - increased base	285,712						0							0	285,712			
102 Consider saving OEC FTE	135,237			52,930			52,930	82,307						82,307		5	1.41	
105 Carryover (LWCF, RTP)	1,542,867						0							0	1,542,867			
0							0							0				
0							0							0				
0							0							0				
0							0							0				
0							0							0				
0							0							0				
0							0							0				
Total Packages	(23,320,930)	(1,013,794)	0	(8,264,837)	(2,115)	(536,473)	(8,803,425)	(1,558,772)	0	(12,083,511)	0	(1,745,007)	0	(15,387,290)	1,883,579	(19)	(18.13)	
Estimated 2015-17 Expenditures	185,909,133	0	912,494	68,405,262	479,020	9,721,410	79,518,186	77,336,974	1,413,539	0	228,660	10,656,816	5,677,573	95,313,562	11,077,385	846	575.26	
Ending Balance	32,800,491	0	0	10,257,690	0	3,678,404	13,936,094	6,883,301	622,709	0	498,610	5,685,021	5,174,756	18,864,397	0			
Reservations in Ending Balance:																		
Reserve for Salary and Benefit increase	6,913,291			10,257,690		3,678,404												
Operating Cash Reserve	16,367,000			2,792,903	29,535		2,822,438	3,900,351				114,105		4,014,456	76,397			
ODOT ATV Fuel forecast higher than OPRDs	0			7,350,000			7,350,000	2,650,000			150,000	5,476,000	741,000	9,017,000				
Reserve for Lottery Fund decline	0						0							0				
Dedicated for a specific purpose	9,178,395					3,678,404	3,678,404		622,709		348,610	94,916	4,433,756	5,499,991				
Unobligated Ending Balance	341,805	0	0	114,787	(29,535)	0	85,252	332,950	0	0	0	0	0	332,950	(76,397)			
							418,202											

Notes:
1. Beginning balance: Find calculation in file G:\Budget\2015-17 Biennium\2015-17 ARB\ARB Development\CSL\Beginning Cash Balances on the "Cash Balances" tab