

# Oregon Parks and Recreation Commission

September 17, 2014

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Agenda Item: 8a

Information

Topic: 2013-15 Budget Report

Presented by: Tanya Crane

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The September 2014 Lottery forecast is scheduled for release August 27, 2014. Information on the forecast will be provided at the Commission meeting.

On July 29, 2014, the Department notified Legislative Leadership of the National Park Service's National Maritime Heritage Grant program. The notification was necessary because the State Historic Preservation Office (SHPO) will be the grant administrator if any awards are made to applicants from the State of Oregon. OPRD will need to seek federal limitation to pass along any awarded grants.

The Legislative Emergency Board will meet September 15-17, 2014. OPRD has one request before the E-Board:

Grant application to the National Park Service, National Maritime Heritage Grant Program for \$35,000. The grant application is due September 23, 2014. This grant is for restoration work on the historic Coast Guard building at Port Orford Heads.

The tables below show revenue and expenditures to date through June 30, 2014 (the close of the first fiscal year of the biennium).

**Revenues to date:**

	Budget	Actual	Percent
General Fund	980,000	514,933	52.54%
Lottery Funds	78,706,516	38,794,649	49.29%
Federal Funds	11,819,364	4,491,791	38.00%
Other Funds:			
ATV	11,127,128	579,115	5.20%
Park User Fees	41,908,366	20,295,638	48.43%
RV Registrations	19,435,383	8,373,677	43.08%
State Fair	11,035,468	5,296,385	47.99%
Trust/Dedicated	3,702,788	2,239,610	60.48%
Willamette Falls	5,069,882	0	0.00%
All Other	14,208,026	3,397,061	23.91%
Total	106,487,041	40,181,486	37.73%
Grand Total	197,992,921	83,982,859	42.42%

**Expenditures to date:**

	Budget	Actual	Percent
Director's Office/Commission	4,666,112	1,955,531	41.91%
Central Services	33,522,206	12,774,413	38.11%
Park Development	27,045,298	8,451,250	31.25%
Direct Services	96,195,702	42,962,015	44.66%
Community Support/Grants	35,680,370	15,754,483	44.15%
Oregon Exposition Center	15,374,521	5,378,021	34.98%
Grand Total	212,484,209	87,275,713	41.07%

The “percent” column represents the percentage of the budget that has been collected or spent.

At this point in time, the biennium is 50% complete; however, OPRD’s business is seasonal so it should not be assumed that everything should be at the 50% mark. Revenues and expenditures are monitored monthly; revenues are forecast quarterly. Internal adjustments are made as necessary to stay with projections.

A few notes:

1. ATV – the large revenue source is the annual fuels tax transfer which had been billed but not received by the end of the fiscal year.
2. RV – the revenue transfer from ODOT is always at least one month behind so this only represents 11 months of revenue.
3. State Fair – the amount shown represents one annual fair and exposition events in the first year. Minimal annual fair revenue is expected from the 2014 Fair as it is contracted out.
4. Trust/Dedicated – this includes preventive maintenance, business accounts and other stewardship accounts. Park Sales are driving the revenues higher than projections.
5. Willamette Falls – the bonds that will provide this revenue have not yet been sold; sale is expected in April/May 2015.
6. Other Fund All Other – this includes “small grant” income and is based on assumptions about various grants coming to parks.
7. Federal – these funds come in to the Department on a reimbursement basis. Funds, primarily grants, must be spent and then the funds are received.

**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 and June 2014 meetings.

**Action Requested:** None.

**Attachments:** None.

**Prepared by:** Tanya Crane

# Oregon Parks and Recreation Commission

September 17, 2014

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Agenda Item: 8b

Information

Topic: 2015-17 Budget Report

Presented by: Tanya Crane

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At the June 2014 Commission meeting, the 2015-17 Agency Request Budget was approved. As was mentioned at the meeting, there were a few items not yet completely finalized. In addition, the Department needed to complete input into the ORBITS system and pass audit. On the following pages are the final, audited numbers for the 2015-17 Agency Request Budget.

Adjustments to the budget include:

1. Salmonberry trail project – instead of the Department having a policy package related to the Salmonberry, OPRD is showing a revenue transfer to the Department of Forestry to support the trail project. Reduces expenditures by \$101,035.
2. Revenue transfers from ODOT:
  - a. Roads/Rest Areas – transfer was reduced to match 2013-15 biennium instead of allowing for inflation. Reduction of \$231,963.
  - b. ATV fuels tax transfer – lowered forecast for fuels tax transfer from \$12M to \$9.9M. This changed from a forecast that OPRD thought was too high to one that is now probably too low; however, the sending agency controls the transfer amount.
3. Position adjustments:
  - a. PICS reload – PICS was not calculating correctly when the package to eliminate Oregon State Fair and Exposition Center positions was entered. DAS reloaded the connection between PICS and ORBITS to solve the issue. In fixing this problem, other structures were also adjusted. Impacted package to eliminate the Fair (\$1,518) and the package to save FTE (\$7,429) plus a few dollars in the current service level budget.
  - b. Position movement – processed the reclass package to move to the new structure of the Department with a Deputy Director; moved positions between Central Services and Director's Office.
4. Revenue reductions – due to the decreased in ATV fuels tax revenue forecast, the revenue reduction package for ATV had to be increased to maintain an appropriate ending cash balance. Additional reduction \$600,000.
5. Ending balance – the various adjustments impacted the Unobligated Ending balance reducing it from \$336,684 to \$43,382.
6. Reduction options list – because this list is created from “modified current service level” (which means that revenue reduction packages are deducted before the 10% is calculated), changes to PICS and the ATV revenue forecast adjusted the starting point for the list.

Revenues: 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 2014 statewide revenue forecast of \$85.5 million; non dedicated Lottery funds are \$1 million. Other Fund revenues total \$101.9 million with Park User Fees providing \$44.0 million. Federal Fund revenues are projected to be \$11 million.

<b>Beginning Balance:</b>		<b>Revenues:</b>	
Local Govt Grants	3,680,076	Non Business License/Fees	2,086,327
RV County Grants	625,650	Park User Fees	43,985,678
Oregon State Fair/Expo	1,331,826	Charges for Services	9,481,922
OR Prop Mgmt Acct	427,270	Rents and Royalties	1,513,069
ATV Funds	1,633,376	Interest Income	597,221
Trust/Dedicated Funds	5,095,950	Sales Income	2,350,575
Cash Flow *	18,770,000	Other Revenue	7,629,058
Non Dedicated	7,681,661	Federal Funds	11,077,385
	Total 39,245,809	From DAS - M76	85,482,355
		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	196,870,518
<i>*Cash flow breakdown:</i>			
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		

Expenditures: The Department's base budget is \$213.9 million including increases in Personal Service costs. Phase ins, allowable inflation rates and State Government Services Charges increases add \$5.5 million to the budget; however, phasing out limitation associated with one time expenditures reduces the budget by \$9.87 million creating a Current Service Level (CSL) budget of \$209.5 million. Revenue reduction packages and removing limitation for the Oregon Exposition Center reduce the budget by \$21.1 million; policy packages costing \$2.0 million bring the total budget request to \$190.5 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>	
070 Revenue Reductions	(5,345,007)	Director's Office	4,894,545
101 Remove Fair	(15,721,671)	Central Services	28,495,457
102 Establish Positions	137,799	Park Development	23,178,889
103 Natural Areas funds	285,712	Direct Services	99,285,448
104 Grants to OPRD	55,000	Community Support/Grants	34,703,184
105 Grants awarded by OPRD	1,542,867	Oregon Expo Center	(1)
	Total (19,045,300)	Total	190,557,522
		Acquisitions	2,108,645
		Facilities	
		Construct/Maintain	21,070,244
		Local Government Grants	10,739,018
		Total	33,917,907

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 Balance:</b>		<i>*Cash flow breakdown:</i>	
Local Govt Grants	3,680,076	Oregon State Fair/Expo	0
RV County Grants	622,709	OR Prop Mgmt Acct	150,000
Oregon State Fair/Expo	0	ATV Funds	5,476,000
OR Prop Mgmt Acct	348,610	Trust/Dedicated Funds	741,000
ATV Funds	94,916	General Operations	10,000,000
Trust/Dedicated Funds	4,433,756	Total	16,367,000
Cash Flow *	16,367,000		
Salary/Wage Reserve	6,836,894		
Non Dedicated	43,382		
Total	32,427,343		

**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.

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:

Reduction Options: Required 10% List						
	GF	LF	OF	FF	TF	
Modified CSL	1,015,299	85,102,951	108,945,759	9,193,806	204,257,815	
10%	101,530	8,510,295	10,894,576	919,381	20,425,782	
<b>Reduction Options:</b>						
Remove Inflation from budget						
Non PICS		63,501	128,233	23	191,757	
Above and Standard	35,299	994,341	1,470,803	240,715	2,741,158	
Reduce/Elim Small Grant limitation			5,294,347	678,643	5,972,990	
Fair Service/Supplies	66,231				66,231	
Acquisitions		1,000,000			1,000,000	
Across Board S&S		2,752,453	4,001,193		6,753,646	
FIP		3,600,000			3,600,000	
T&D		100,000			100,000	
	101,530	8,510,295	10,894,576	919,381	20,425,782	

**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.

**Action Requested:** None.

**Attachments:** Attachment A.

**Prepared by:** Tanya Crane

Oregon Parks and Recreation Department  
 2015-17 Agency Request Budget  
 As of July 31, 2014

	Final 2015-17 All Funds	Lottery							
		GF	Non M76 Lottery Funds	Non dedicated	Loc Govt Staff	Loc Govt	Total	Non dedicated	RV County Opp Grants
Beginning Balance (1)	39,245,809			7,580,623		3,680,076	11,260,699	11,901,038	625,650
	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
<b>Revenues</b>									
Non Business License and Fees	2,086,327						0	525,758	
Park User Fees	43,985,678						0	42,545,113	
Charges for Services	9,481,922						0		
Rents and Royalties	1,513,069						0		
Interest Income	597,221			163,176			163,176	257,508	
Sales Income (Bus Accts)	2,350,575						0		
Other Revenue							0		
Ocean Shore	75,000						0		
Forest Management	200,000						0	100,000	
Heritage Funds	150,000						0		
Preventive Maintenance	591,807						0		
Park Stewardship	391,733						0		
Trust Accounts	156,000						0		
ODOT Funded Position	0						0		
Other Grants	5,294,347						0	5,294,347	
Misc Revenue	770,171						0	770,171	
Federal	11,077,385						0		
From DAS	85,482,355			74,743,337	481,135	10,257,883	85,482,355		
From DAS - Non M76 LF	912,494		912,494				912,494		
From Business Development Dept	250,000						0	250,000	
From Marine Board	400,000						0	400,000	
GF	1,015,299	1,015,299					0		
From ODOT							0		
ATV	9,900,000						0		
RV	31,546,626						0	17,440,644	14,105,982
Roads	1,180,892						0	1,180,892	
Rest Areas	3,226,410						0	3,226,410	
Salmon Plate	468,848						0	468,848	
Tfr to Counties	(12,695,384)						0		(12,695,384)
Tfr to OSP	(559,760)						0		
Tfr to Forestry	(1,417,198)			(89,201)			(89,201)	(140,454)	
Tfr to ODOT	(546,000)						0		
Total	197,885,817	1,015,299	912,494	74,817,312	481,135	10,257,883	86,468,824	72,319,237	1,410,598
<b>Revenue Impacting Policy Packages:</b>									
Phase out State Fair and Expo Center	(12,066,933)	(1,015,299)					0		
Tfr Cash to Council	(2,079,828)						0		
	0						0		
Total Revenues	(14,146,761)	(1,015,299)	0	0	0	0	0	0	0

Oregon Parks and Recreation Department  
 2015-17 Agency Request Budget  
 As of July 31, 2014

	Final 2015-17 All Funds	Lottery							
		GF	Non M76 Lottery Funds	Non dedicated	Loc Govt Staff	Loc Govt	Total	Non dedicated	RV County Opp Grants
	Total	GF							
Total Available Revenues	222,984,865	0	912,494	82,397,935	481,135	13,937,959	97,729,523	84,220,275	2,036,248
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
Phase In (Pkg 021)									
None.	0						0		
Total Phase Ins	0	0	0	0	0	0	0	0	0
Phase Out (Pkg 022)									
103 RTP Grant program carryover	(1,084,400)						0		
109 ATV Program	(800,000)						0		
810 LFO Adjustments	0						0		
Carryover trails - Rogue River Cazedero	(381,000)			(381,000)			(381,000)		
FEMA repair at Garrison	(80,200)			(20,050)			(20,050)	(60,150)	
FEMA repair at Cape Lookout	(59,269)			(14,817)			(14,817)	(44,452)	
IT carryover: DAS email service	(92,000)			(36,009)			(36,009)	(55,991)	
IT carryover: LIDAR	(45,000)			(17,613)			(17,613)	(27,387)	
Cottonwood	(400,000)			(400,000)			(400,000)		
NCLC grant from US F&W	(675,000)						0		
MOA with NOAA for Tsunami debris	(250,000)						0		
Federal Grant funds (NAGPRA)	(60,000)						0		
Federal Grant funds (IMLS)	(202,410)						0		
Section 6 grant carryover	(379,000)						0		
Section 6 grant carryover	(292,611)						0		
820 Willamette Falls	(5,069,882)						0	(5,069,882)	
Total Phase Outs	(9,870,772)	0	0	(869,489)	0	0	(869,489)	(5,257,862)	0
Inflation on:									
Standard Inflation (Pkg 010)	841,182			333,650	261		333,911	461,636	
Standard Inflation (Pkg 031) 3 & 3.3%	3,025,895	35,299		992,334	2,007	284,737	1,279,078	705,404	41,175
Exception Inflation	0						0		
LGGP	481,898					481,898	481,898		
SGSC	1,186,891			441,168			441,168	745,723	
Total Inflation	5,535,866	35,299	0	1,767,152	2,268	766,635	2,536,055	1,912,763	41,175
Technical Adjustments (Pkg 060)									
Move Rocky	0						0		
Move Deputy	0						0		
Technical Adjustments	0	0	0	0	0	0	0	0	0
Total Adjustments	(4,334,906)	35,299	0	897,663	2,268	766,635	1,666,566	(3,345,099)	41,175
Current Service Level	209,602,822	1,015,299	912,494	76,807,999	481,135	10,257,883	88,459,511	79,129,100	1,413,539
Expenditure Policy Packages:									
Phase out State Fair and Expo Center	(15,721,671)	(1,015,299)		(2,622,859)			(2,622,859)		
Revenue Reduction (ATV)	(1,745,007)						0		

Oregon Parks and Recreation Department  
 2015-17 Agency Request Budget  
 As of July 31, 2014

	Final 2015-17 All Funds	Lottery								
		GF	Non M76 Lottery Funds	Non dedicated	Loc Govt Staff	Loc Govt	Total	Non dedicated	RV County Opp Grants	
Revenue Reduction (Regular Operations)	(3,600,000)			(3,356,560)			(3,356,560)	(243,440)		
Carryover - IMLS	25,000						0			
Carryover - NAGPRA	30,000						0			
Natural Areas - increased base	285,712						0			
Consider saving OEC FTE	137,799			53,937			53,937	83,862		
Carryover (LWCF, RTP)	1,542,867						0			
	0						0			
	0						0			
	0						0			
	0						0			
	0						0			
Total Packages	(19,045,300)	(1,015,299)	0	(5,925,482)	0	0	(5,925,482)	(159,578)	0	
Estimated 2015-17 Expenditures	190,557,522	0	912,494	70,882,517	481,135	10,257,883	82,534,029	78,969,522	1,413,539	
Ending Balance	32,427,343	0	0	11,515,418	0	3,680,076	15,195,494	5,250,753	622,709	
<i>Reservations in Ending Balance:</i>										
Reserve for Salary and Benefit increase	6,913,291			2,792,903	29,535		2,822,438	3,900,351		
Operating Cash Reserve	16,367,000			8,650,000			8,650,000	1,350,000		
ODOT ATV Fuel forecast higher than OPRDs	0						0			
Reserve for Lottery Fund decline	0						0			
Dedicated for a specific purpose	9,180,067					3,680,076	3,680,076		622,709	
Unobligagted Ending Balance	(33,015)	0	0	72,515	(29,535)	0	42,980	402 43,382	0	

Notes:

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

Other					Federal	Pos	FTE
OSFEC	OPMA	ATV	Trust / Dedicated	Total			
2,079,826	577,270	7,103,376	5,697,950	27,985,110	0		
				0			
				0			
2,079,826	577,270	7,103,376	5,697,950	27,985,110	0		
		1,560,569		2,086,327			
			1,440,565	43,985,678			
9,481,922				9,481,922			
1,513,069				1,513,069			
56,643		71,195	48,699	434,045			
			2,350,575	2,350,575			
			75,000	75,000			
			100,000	200,000			
	150,000			150,000			
			591,807	591,807			
			391,733	391,733			
			156,000	156,000			
				0			
				5,294,347			
				770,171			
				0	11,077,385		
				0			
				0			
				250,000			
				400,000			
				0			
		9,900,000		9,900,000			
				31,546,626			
				1,180,892			
				3,226,410			
				468,848			
				(12,695,384)			
		(559,760)		(559,760)			
		(1,187,543)		(1,327,997)			
		(546,000)		(546,000)			
11,051,634	150,000	9,238,461	5,154,379	99,324,309	11,077,385		
(11,051,634)				(11,051,634)			
(2,079,828)				(2,079,828)			
				0			
(13,131,462)	0	0	0	(13,131,462)	0		

Other					Federal		
OSFEC	OPMA	ATV	Trust / Dedicated	Total		Pos	FTE
(2)	727,270	16,341,837	10,852,329	114,177,957	11,077,385		
11,801,543	222,000	12,891,809	5,511,216	114,273,131	11,891,652	865	593.39
				0			
				0			
0	0	0	0	0	0	0	0.00
				0	(1,084,400)		
		(800,000)		(800,000)			
				0			
				0			
				(60,150)			
				(44,452)			
				(55,991)			
				(27,387)			
				0			
				0	(675,000)		
				0	(250,000)		
				0	(60,000)		
				0	(202,410)		
				0	(379,000)		
				0	(292,611)		
				(5,069,882)			
				0			
0	0	(800,000)	0	(6,057,862)	(2,943,421)	0	0.00
49,518		(8,743)		502,411	4,860		
232,450	6,660	318,757	166,357	1,470,803	240,715		
				0			
				0			
				745,723			
281,968	6,660	310,014	166,357	2,718,937	245,575	0	0.00
				0			
				0			
0	0	0	0	0	0	0	0.00
281,968	6,660	(489,986)	166,357	(3,338,925)	(2,697,846) #	0	0.00
12,083,511	228,660	12,401,823	5,677,573	110,934,206	9,193,806 #	865	593.39
(12,083,513)				(12,083,513)		(24)	(19.54)
	(1,745,007)			(1,745,007)			

Other					Federal		
OSFEC	OPMA	ATV	Trust / Dedicated	Total		Pos	FTE
				(243,440)			
				0	25,000		
				0	30,000		
				0	285,712		
				83,862		24	1.11
				0	1,542,867		
				0			
				0			
				0			
				0			
(12,083,513)	0	(1,745,007)	0	(13,988,098)	1,883,579	0	(18.43)
(2)	228,660	10,656,816	5,677,573	96,946,108	11,077,385	# 865	574.96
0	498,610	5,685,021	5,174,756	17,231,849	0		
		114,105		4,014,456	76,397		
	150,000	5,476,000	741,000	7,717,000			
				0			
				0			
	348,610	94,916	4,433,756	5,499,991			
0	0	0	0	402	(76,397)		

# Oregon Parks and Recreation Commission

September 17, 2014

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Agenda Item:	8c	Information
Topic:	2015-17 Revenue Enhancement Project Update	
Presented by:	Richard Walkoski	

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## Background

At the June 2014 Commission meeting possible changes to the day use fee program and elimination or modification of discount programs were discussed in the budget workshop session and in the Day Use Program agenda item. The discussion centered on the need to increase revenue for the 2015-17 budget, with a target of \$1M in other funds for the biennium. There were a number of possible actions discussed and the Commission instructions to staff resulting from these discussions were to look in more detail at the day use expansion and the elimination of the Discovery Season discounts, either in part or entirely.

## Day Use Fee Program Expansion

The day use parking fee is currently applied at 26 parks. In reviewing possible expansion of the program several things need to be considered: the system should be applied consistently; collection of the fee should be manageable and should not put employees at risk by having them collect cash in remote locations; pass sales should be cost effective and easy for visitors, especially those who are travelling from out of state and may not know of the requirement in advance; and the fee requirement should not exclude a portion of the population that may not have the money to buy passes. Because this is a parking fee the criteria for applying it should be based on where visitors park, and many of those places are remote properties where it is difficult to satisfy the criteria above.

The day use program has been reviewed multiple times over the years and some of the strategies for expansion that come up every time are:

- Applying the program system wide to all day use areas;
- Encouraging the use of annual passes to eliminate the need for on-site sales;
- Developing a means for Oregon residents to get a cheap annual pass through something like a vehicle registration add on;
- Making short term passes (daily/weekly) available through on-line sales.

## RECOMMENDATION

Expansion of the program statewide is the best way to satisfy the major considerations above. That will require at least a biennium to develop plans however, and may require some legislative concepts in the 2017 legislative session. There are states that are currently doing statewide

programs and offering residents an easy, cheap way to participate that can serve as a model for Oregon. We will also need to look at ways to make passes available to those that cannot afford them, perhaps through a checkout system at local libraries, or free days throughout the year. While we could add some parks now and that would generate additional revenue, a piecemeal approach is not the best way to manage the program. Development of a statewide program will take time so an expansion of the program at this time is not recommended. Staff should begin to investigate and develop a model for the program so we can move toward a change in 2017-19.

### **Reduction of the Discovery Season Discount Period**

In the 2014 rate review a comparison was done in the three busiest months of Discovery Season between the Discovery rate and the Prime rate. The comparison uses the revenue forecasting model, which is based on a three year average of use levels, but it does not account for any decrease in use resulting from elimination of waivers. An additional calculation was done to determine the total waivers for the entire Discovery Season to give some perspective of the volume done in the busiest months. If the waivers were discontinued in some or all of Discovery Season it cannot be assumed that the entire amount of the waived revenue would be recaptured as some decrease in attendance may occur. However, the average campsite is only \$4 less in Discovery Season and that level of price difference has not proven to be a major influencer in the decision to camp or not to camp.

**Waivers by month by park type**

Type of Park	March	April	October	Total Per Year	Biennium
Destination Park	\$71,525	\$96,618	\$126,007	\$294,150	\$588,300
Value Park	\$10,256	\$18,360	\$30,547	\$59,163	\$118,326
<b>Total</b>	<b>\$81,781</b>	<b>\$114,978</b>	<b>\$156,554</b>	<b>\$353,313</b>	<b>\$706,626*</b>
<b>% of Total</b>	<b>23.1%</b>	<b>32.5%</b>	<b>44.3%</b>		

\* Waivers for the entire Discovery Season are estimated at \$1.034 million per biennium

### **RECOMMENDATION**

Research on the effect of pricing on the decision to camp indicates that a \$4 discount has less affect than the weather and the amount of free time people have to recreate. Because Discovery Season discounts most likely have minimal effect on attendance elimination of the entire Discovery Season is the recommendation of staff. Discounting rates for people that will most likely still camp at full rate, during a season when costs to operate the campgrounds are highest and staff is limited makes little economic sense. This change should be made starting in October 2015 to allow time to notify our customers of the change.

Because OPRD does not have discounts for any groups other than disabled veterans and foster families, the Discovery Season was a way to offer some form of discount to all of our users. If that discount is eliminated we do need to consider putting a discount program in place to offer affordable camping to those individuals who cannot afford the full rate. However, the new program should offer a discount significant enough to motivate people to camp and it should be targeted at parks during time periods when we want to increase use and can accommodate that use with the normal staffing assigned to that park.

The new discount program should be flexible enough to respond to market trends and should be initiated by a request from a field manager who wants to increase use at one of their parks. The Communications and Research Division can take the field requests and develop a targeted discount program that will fill empty campsites rather than reduce revenue in sites that are already filled. Offering deep discounts will help soften the blow of eliminating Discovery Season and should actually generate additional revenue by increasing use in underused properties, unlike the current program that discounts everything, including popular destinations.

The authority for making these changes will require no legislative approval or rule making. Eliminating the Discovery Season can be done by discontinuing the fee waiver and the new discount program can be done through the director's authority to waive fees for promotional purposes.

**Prior Action by Commission:** N/A

**Action Requested:** none - information only

**Attachments:** none

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