

A STUDY OF OREGON STATE PARKS: PART II

Background Material

INTRODUCTION



The Oregon parks system is at a crossroad as the twenty-first century approaches. Population numbers are rising and areas of density are shifting. In addition the Oregon Tourism Commission reports increasing numbers of people visiting Oregon with total visitor volume in 1997 at 28.5 million visits, a 50.6% increase from 1991. Citizens and elected officials are reexamining priorities concerning function, administration, expansion, and funding of parks and recreation facilities.

During the first year of the LWVOREF study of Oregon State Parks, League members reviewed and responded to information regarding funding, history and mission of parks, siting and uses of parks, and agencies that deal with parks matters.

Members throughout the state visited parks in their areas and reported on their findings. Most "walk-through" reports indicated satisfaction with services and facilities available but noted that maintenance and some enhancements were needed.

This second *Everymember* supplements *Everymember Part I* of March 1998. It follows up on questions raised by members regarding funding alternatives, privatization, and future planning and also deals with the roles state parks play in the lives of Oregonians.

FUNDING

The public and the legislature as well as both public and private agencies are concerned with how the parks system should be funded. Background information on funding was presented in *Everymember I*. In this follow-up material, we will provide information on various sources of funding and ask members what they consider to be appropriate funding, giving attention to how balance should be attained among the sources of funds.

The total 1997-99 budget of \$88.55 million, which includes \$15 million from lottery bonds, contrasts with the projected Oregon Parks and Recreation Department (OPRD) budget request for 1999-2001 of \$123.89 million for operations and maintenance (including a second \$15 million bond issuance). If the higher figure cannot be realized, the OPRD has said it cannot fund the necessary repairs and renovations in the parks; fund existing personnel in the jobs they are now doing; maintain mandated programs for ocean shores, scenic waterways, recreational trails, historic preservation and heritage operations which are currently underfunded; or acquire new property to meet the needs of the future. OPRD also will not be able to purchase the needed communications systems for remote parks or provide assistance to local governments. Also, increased park personnel "on the ground" to improve visitor safety and enforce park regulations will not be possible. (The ratio of field personnel to visitors is 69,000:1, roughly one-fourth of the U.S. average even though Oregon has a higher-than-average

number of visitors.)

A number of existing and potential sources of funding are listed below.

A. General Fund. Currently the General Fund provides about 13% of OPRD's revenues. This represents less than \$2 per Oregonian per year, or about 1/10 of a penny from every dollar paid in income taxes. OPRD's share of the General Fund was raised from \$8.2 million in the 1995-97 biennium to \$10.8 million in 1997-99, an increase which allowed the OPRD to keep all parks open and to begin to renovate and repair facilities. The OPRD must compete with other departments of government, especially education and justice/corrections, when requesting more general-fund money. These departments receive much larger appropriations presently than does the OPRD. In a recent interview Senate President Brady Adams (R-Grants Pass) said that legislators might be inclined to decrease OPRD's share of the General Fund if Measure 66 (lottery revenue for parks) passes. Adams commented further that "in the present political climate, an adequate appropriation of money from the General Fund for parks is the only appropriate source of funds." He believes that state parks are a public asset and need to continue to be so.

At the Spring 1998 unit meetings League members suggested some ways of generating additional General Fund money for parks. Some implications for use of these sources are listed here:

1. Raising the income tax on high-income taxpayers. A dedicated portion of the income tax for parks would require a major change in the present tax system.
2. "Keep the Kicker" for OPRD. There are many requests for using the kicker. It would not be a stable or dependable source, even if earmarked for parks.
3. Sales tax, with a portion for parks. A major tax reform would be required. Sales tax proposals have been voted down regularly by Oregonians. Out-of-state visitors would contribute with a sales tax.

B. User Fees. About \$0.5 million could be realized by raising day-use fees by \$1; between \$1.2 million and \$2.4 million could be realized by increasing the number of parks at which the fee is charged. At present a \$3 fee is charged in 24 state parks, and a \$25 annual fee is available. In 1995-96 gross revenue from day-use fees was \$1.2 million. During the same period the cost of maintaining the state's 172 day-use areas was \$8 million. Currently, the OPRD is not proposing additional fees because data indicate that attendance goes down when prices go up. The Department believes that present fees are near the maximum the market will allow.

Other fee considerations include higher fees for out-of-state visitors, annual fees for all users, discounted fees for regular users, etc. These fees would generate about \$1 million per year but in the past have not been well received by the using public.

C. Other Revenue Sources. Prior to 1980, dedicated funds from the gasoline tax were used to support the parks system. At that time, the public endorsed a measure to limit the use of these funds to the building and maintenance of the road system. Subsequently the OPRD has had to rely on other sources of funding. League members listed the following as possible new revenue sources:

1. Lottery-backed bonds. OPRD was given authority by the 1997 legislative assembly to sell \$15 million in lottery-backed bonds, the returns of which are now being used primarily for

renovations in Silver Falls State Park and Fort Stevens State Park. These funds are not available for general operations. The bond sales may be increased, with the approval of future legislatures, to a total of \$105 million over the next 14 years. Some people object to this funding source because they oppose the use of gambling dollars for government operations. Others believe that lottery bonds are not a stable source of funding for parks or object to the magnitude of interest payments (\$3.17 million in debt service for 1999-2001 in 1998 bonds.)

2. Lottery revenue. Measure 66, an initiative that would provide lottery revenue for parks and salmon, was placed on the ballot for the November 1998 election. If passed, this would provide about \$46 million dollars per biennium or \$23 million per year to prevent park closures, repair and restore parks, maintain access to ocean beaches, preserve open spaces and natural areas, and provide areas for outdoor recreation. The measure would not alter existing lottery commitments and would require an independent audit every two years. Voter approval would be required again in 15 years. Ex-Governor Neil Goldschmidt has said that he considers Measure 66 to be about reaffirming Oregon's history and values, and he sees it as a chance to educate the public about park needs both now and in the future. According to Goldschmidt, other revenue doors have closed. Opponents of the initiative cite a possible reduction in lottery dollars for education and economic development, a reliance on an unstable source of funds for parks, and a limitation of the legislature's ability to allocate lottery funds.
3. Registration fees for RVs and automobile license fees. Originally OPRD received 100% of RV registration fees but now receives about 70%. Counties have successfully applied for a portion of the money and are expected to ask for a higher percentage in the next legislative session. Automobile clubs, RV parks owners, and others in the travel and tourism fields traditionally have opposed increased RV and automobile fees.
4. Bottle deposits. Income from a dedicated portion of the bottle deposit could provide \$10 to \$11 million if one cent per bottle were allocated for parks. In recent years some legislators have proposed bills that would provide for an increase in bottle deposits or would include more varieties of bottles requiring a deposit, but none was successful. According to Speaker of the House Lynn Lundquist (R-Powell Butte), support does not exist in the legislative assembly at this time for such changes. In January of 1998 Governor John Kitzhaber said in an interview with the *Register Guard* newspaper, "Oregon parks are part of our legacy. The legislative leadership promised before the session they would come in with a long-term funding program for the parks, which they ultimately walked away from. I put that [the bottle tax] on the table, said if you don't want it that's fine; give us another way to fund the parks. They didn't accomplish that." Traditionally, strong opposition to increased or new bottle taxes has come from food retailers and bottlers.
5. Gas tax increase for everyone. A constitutional amendment would be needed if these funds were to be dedicated to parks.
6. Real estate transfer tax. One-half of 1% per \$1000 valuation was expected to raise \$20 million when considered ten years ago. The 2010 Citizens' Plan (see below) supported this tax in 1988-89, but the real-estate industry has been opposed on the grounds that such a tax is not related to parks. Ex-Senator Lynn Newbry, chair of the Citizens' Committee, counters that both real estate and parks deal with livability in Oregon and points out that at the time the committee recommended support of this tax, most property was sold to out-of-state persons.
7. Sporting equipment excise tax. Possible revenue would be \$0.5 million. The rationale is that people who engage in sports utilize the parks more.

8. A one percent bed tax or bed-and-food tax on hotels and motels. Revenue is estimated to be \$10 million or more. Opposition can be expected from the hospitality industry and from local governments that collect revenue from these sources.

D. Other Means of Parks Support.

1. Gifts.

- Expand membership and fund-raising activities of the Parks Foundation and other Friends groups for both specific, dedicated projects and for general operating costs. [Note: When funds are dedicated, there is no discretion to use them for other than their designated purposes. They cannot be used for operations, maintenance, program shortfalls, or emergency needs.]
 - List state parks in the check-off donation section of the Oregon income-tax form.
 - Publicize Salmon/Parks license plates. Proceeds are split between parks and salmon enhancement projects. The total net revenue from salmon plates that OPRD has received through July is about \$114,000. The OPRD 1999-2001 budget request includes an estimate of \$150,000 from salmon plates.
2. Private contracts. Increase revenues from concessionaires, sell natural assets, shed services, etc.
3. Prison or juvenile-offender labor. The State of Oregon requires inmates to work, so these programs are common. Prison inmates or juvenile offenders are used for a variety of tasks, such as fighting fires or cleaning up roadsides. An example of a specific park rehabilitation project exists in La Pine State Park, where juvenile offenders cut dead lodgepole pine to abate fire danger and to provide firewood and chips. Opinions are varied about the cost-effectiveness of prisoners' on-site work. These programs require careful supervision and training, so some say that savings realized may be fairly small. Union leaders have expressed concern that the use of cheap prison labor is unfair competition to paid workers outside the prisons.

PRIVATIZATION

In September OPRD began accepting bids to operate a state-owned bed and breakfast in historic Fort Stevens State Park. The contract calls for an initial three-year term beginning in the fall of 1998 with options for additional terms.

Oregon's legislative assembly and the public are engaged in ongoing discussions about privatization — if and how the private sector should be involved in parks management. The Council of State Governments defines privatization as follows:

The transfer of government functions or assets to the private sector; the shifting of government management and service delivery to private providers; a shift from publicly to privately-produced goods or services; and government reliance on the private sector to satisfy the needs of society.

In 1997 Representative Jane Lokan (R-Milwaukie) sponsored HB 3563 which called for the establishment of a state-park privatization pilot project. Six parks were to be contracted to private operators for a four-year period, beginning in January 1998. This bill encountered immediate and strong political and public resistance and was not enacted.

The OPRD in its report to the 1997 legislative assembly mentioned various options for privatization: contracting, franchises, public-private partnerships, volunteerism, and service shedding. Currently a few major contracts and numerous smaller contracts (over 200 in all) are in place for park maintenance. According to OPRD officials, certain contracts using workers undergoing rehabilitation for one reason or another have worked well for tasks such as landscape maintenance and firewood distribution, but the success of these operations depends heavily on the quality of crew supervision. In some cases the OPRD also has hired a single individual to provide services at a small park or wayside with satisfactory results.

Several franchises and concessions operate successfully in the parks, running marinas, stores, and restaurants. Public acceptance of these ventures is an important criterion of the OPRD; they do not proceed against substantial local resistance. The Department joins with private businesses for garbage collection, septic pumping, some security services, beach clean-ups, event advertising, pass sales, and full operation of marinas, conference centers, bed-and-breakfasts, and historic inns, among other things. One long-term example of a private concession providing a variety of services exists in Joseph H. Stewart State Recreation Area, 35 miles northeast of Medford in Jackson County. Perry Salvestrin, manager of this park, says that this concession enhances experiences for visitors and provides additional income for the state parks system. However, he believes that the state must be very careful that parks do not become commercialized and counteract the parks' values and mission. Contracting the entire operation of a park has been explored but has not been financially attractive, according to cost estimates of the OPRD.

The OPRD contracts with businesses when services can be delivered at costs lower than OPRD's costs or when a private business can provide a better way to complete a task. In some circumstances, private operators are reluctant to bid. For example, at Wolf Creek Inn (Josephine County, north of Grants Pass) OPRD had to provide a parks staff person to run the facility in the absence of a qualified contractor. In considering privatization, the OPRD also looks at the potential for revenue in a park. Only a few major parks are net revenue producers, and these contribute heavily to the operation of the entire system. For example, Fort Stevens State Park in Clatsop County earns a net revenue after the expenses of operating the campground and day use are paid. The Fort Stevens crew also is responsible for maintaining the facilities and resources at Bradley State Scenic Viewpoint, Del Rey Beach State Recreation Area, Gearhart Ocean State Recreation Area, and 36 miles of the Oregon Coast Trail in Clatsop County. The cost of operating all of these sites exceeds the revenue produced at Fort Stevens. The agency concludes that the success of privatization efforts depends on particular circumstances and on the needs and desires of the public.

Other possible interactions with the private sector could include selling assets, exchanging parklands, shedding services, or logging park timber. In its report to the legislature in 1997 the OPRD reported that these arrangements characteristically generate negative public reaction.

The OPRD has leased, traded, or otherwise given over the operation of parks to other government units (e.g., counties, cities, etc.) and continues to look for such opportunities. For example, what was previously Armitage State Park has become a Lane County park, and the former Sawyer State Park is now operated by the City of Bend.

To get further perspectives on private operations in parks, the Parks Study Committee interviewed

three persons outside the state system: Sallie Collins, Deschutes National Forest Supervisor; Jim Thomson, Membership Representative of the National Parks and Conservation Association; and JoAnne Frazee, owner of Lava Lake Resort. The National Parks and the Forest Service have been "in the business" for as long as 50 years in some cases. Collins believes that the public benefits by having better-kept facilities, especially with funding cutbacks experienced by the Forest Service. She says that the percentage of revenue received by the Forest Service enables the service to repair, replace, or expand facilities and services. Mr. Thomson says his organization has been in a ten-year struggle to get concessionaires in national parks to pay a larger percentage of their "take" to the government and to be more responsible stewards of the parks. He suggests that proper oversight by the government is lacking. Frazee owns the Lava Lake Resort (on federal land) and manages a number of Forest Service campgrounds in her area. She said the campground management program has worked well for her but that she might not bid to continue if she were required to meet additional criteria, such as running a reservation system.

Senate President Adams is concerned that the most pertinent parks issues may be neglected if too much energy and attention is given to pursuing privatization which, according to him, is a secondary issue.

PLANNING FOR THE FUTURE -- THE 2010 PLAN

As the result of a brainstorming meeting at a two-day Governor's conference in 1985, participants initiated a long-range strategic plan for Oregon State Parks. In 1987 the Oregon Transportation Commission established the State Parks 2010 Citizen Committee, headed by Lynn Newbry, former State Senator and member of the Parks and Recreation Commission. Citizens from all walks of life were invited to help the OPRD prepare this plan. The public process included town hall meetings, tours, surveys, forecasts, and a study of national trends.

The 2010 Plan was completed at the end of 1988 and provided dollar estimates for committee recommendations on the following subjects, to be realized within the ensuing 22 years:

1. **Rehabilitation - Protecting the Investment.** Increased park attendance, decreased staffing, deterioration of park facilities, and resulting management and maintenance needs highlighted the inclusion of this item.
2. **Land Acquisition.** Acquisition (purchases or trades) should be considered in light of the outdoor recreation needs of future generations, population growth, and the preservation of outstanding natural, scenic, and cultural sites. Current funding levels do not allow for substantial additions to the parks system. [Speaking in Rogue Valley in August 1998, ex-Governor Goldschmidt pointed out that the state park system has added no new parks for 28 years. He attributes this to the lack of a dependable income for almost two decades.]
3. **Campground Facilities/Day Use Areas.** In order to meet the demand created by expected growth in park visitation, the 2010 Plan recommends the development of 100 new campsites per year, expansion of existing overnight camps, and development of new destination parks. More day use areas also are recommended. Tent cabins and other rustic facilities are needed. [Note: The placing of yurts in state campgrounds has been in response to this plan.]
4. **Boating.** The 1987 Recreation Demand Survey for Oregon projected a growth of 9.7 percent per year in lake non-motor boating.

5. **Special Needs.** The plan suggests a high priority for development of the Willamette River Greenway to meet the needs of urban populations, but not at the exclusion of acquiring other sites near urban areas, including close-in parks, accessible by public transportation. The OPRD should develop destination parks where attractions exist, but where facilities are not now available.
6. **Interpretive Services.** The 2010 Plan places a high priority on interpretive services. Significant visitor increases occur each year for nature study/wildlife observation and for visiting interpretive centers. Development of these programs will complement broader goals relating to tourism promotion and will attract support for parks programs generally. Surveys show strong public interest in historic sites.
7. **Ocean Beaches.** The State of Oregon should continue to protect public rights, expand public access, and enhance scenic and recreational values on the ocean beaches. The department's goal is to provide beach access about every three miles. [At its regular meeting in July 1998 the Oregon Parks and Recreation Commission adopted as a "legislative concept" that public access to the ocean shores would be protected. Under the law, when local governments approve a development which would block an existing public access across public property, the local government would be required to replace the lost access opportunity.]
8. **Recreation Trails.** Use of hiking trails and bicycling have been on the increase for over a decade. Trail use is one of the fastest growing activities in Oregon. Horseback riding trails also are in demand in particular areas. There is a need for increased funding and accelerated expansion in the trails program.
9. **Scenic Waterways.** Federal and state legislation provides for protected scenic waterways. The state parks system needs to expand its role by providing sufficient staff to administer authorized scenic waterways and should provide informational material to interested citizens and legislators.
10. **Outdoor Recreation Coordination and Advocacy.** The OPRD needs to continue its role as primary advocate for outdoor recreation and should coordinate with other state agencies regarding related activities or programs.
11. **Strategies that forge partnerships, build public support, enhance tourism, economic development and outdoor recreation planning.** The OPRD should investigate opportunities for revenue-type concessions. Other recommended activities include market research and promotion, volunteer recruitment campaign, publication center, interpretive materials and sales items, expansion of local park and recreation grant-in-aid programs.
12. **Funding the Plan.** Accomplishing the recommendations of the plan will require an approximate total of \$203,206,000 or \$9,236,000 per year for 22 years. The Committee looked at 25 funding ideas and rejected most of them for a variety of reasons. The following were recommended for consideration: a one-half percent real-estate transfer tax, a one-cent tax on soda pop and beer, a bonding authority for the OPRD for land acquisitions and capital development, and a local government share as part of the funding scheme. [Note: These estimates were made in 1989.]

Since the 2010 Plan was not fully funded, the OPRD used it as a guide to public needs and opinions. In addition the OPRD worked to the extent possible to update maintenance and repairs and to examine opportunities for providing new recreation opportunities. The agency currently is seeking a specialist to coordinate interpretive programs statewide. The OPRD has acquired some special properties largely through donations (e.g., Eldon Feldenheimer Forest

Preserve near Ecola). As mentioned above, the construction of yurts in camping areas is the most apparent and successful activity stemming from the 2010 Plan.

In a 1998 interview Lynn Newbry, chair of the 2010 Citizen's Committee, said he believes that the plan should be considered a basic, long-range planning tool that is flexible and can accommodate change. The OPRD has used the 2010 Plan recommendations to the extent possible in its plan for the period 1993-1999, called "Protecting the Best of Oregon." Much of the 2010 Plan has not been realized because of lack of funds. Newbry says, "There is a strong need for a long-term funding source. Park users should pay for the operational costs of parks, but not for acquisition, rehabilitation, and costs related to special programs."

INTERVIEWS/RESOURCES

Brady Adams, President, Oregon State Senate
 Sallie Collins, Deschutes Forest Supervisor, U.S. Forest Service
 JoAnne Frazee, Concessionaire and Campground Manager, Lava Lake Resort
 Neil Goldschmidt, ex-Governor, State of Oregon
 Bethany Lael, WA State Park and Recreation, Budget Section
 Jane Lokan, State Representative, R-Milwaukie
 Lynn Lundquist, Speaker of the House, Oregon Legislative Assembly
 Patricia McCaig, Chief of Staff, ex-Governor Barbara Roberts
 Lynn Newbry, ex-State Senator, ex-member of the OPRC, and Chair of the 2010 Committee
 Perry Salvestrin, Manager, Joseph H. Stewart State Recreation Area
 Jim Thomson, Membership Representative, National Parks and Conservation Association
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ACKNOWLEDGEMENTS

This material was prepared by members of the League of Women Voters of Oregon Education Fund Park Study Committee:

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