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Oregon Department of Land Conservation and Development
◆◆◆ 2007 Budget Presentation ◆◆◆

INTRODUCTION

Oregon's leaders were bold and visionary when they adopted the statewide land use planning program in 1973. Thousands of Oregonians across the state participated in shaping the planning goals that framed the vision of what we wanted to achieve with land use planning. And there was an excitement about what the program would bring to the state.

Today, 34 years later, we are witnessing exciting times of a different nature as leaders of the statewide planning program. This past biennium, the Department of Land Conservation and Development (DLCD) has seen dramatic changes on the work and mission of the department, including the full implementation of Ballot Measure 37 (2004) and the initiation of the 30-Year Land Use Review (The Big Look) established under SB 82 (2005).

These major new initiatives have been accomplished even as the core work of the department has continued on, with an emphasis on coordinating the land use system with the Governor's economic development agenda and building stronger relationships with our local government and private sector partners.

DLCD staff has worked in all corners of the state, meeting with local officials and concerned citizens. Likewise, the Land Conservation and Development Commission (LCDC) have maintained its ongoing effort to increase its visibility by meeting in communities across the state, and engaging local officials in every region.

Those efforts appear to be paying off. Over the past two years, people have noticed a change in the way the department does business. This was reflected in our first-ever customer satisfaction survey, in which respondents rated the department better than "Good" in five out of six categories of service.

We remain committed to working productively with the legislature and our local government and private sector partners to improve our land use program, to strengthen our economy and to preserve that quality of life that makes Oregon such a special place to live.

DLCD's Mission

Support all of our partners in creating and implementing comprehensive plans that reflect and balance the statewide planning goals, the vision of citizens, and the interests of local, state, federal and tribal governments.

DLCD's Vision

Our purpose is to guide land use policy to:

- Foster livable, sustainable development in urban and rural communities;
- Conserve coastal resources;
- Protect farm and forestlands and other natural resources; and
- Improve the well-being and prosperity of citizens, businesses and communities throughout Oregon.

As we move through the fourth decade of statewide land use planning, DLCD is committed to:

- Making a positive contribution to the state's economic competitiveness;
- Working to always earn the public's trust;
- Aspiring toward innovative and sustainable urban development;
- Balancing resource protection and growth management;
- Respecting the interests of all our partners; and
- Maintaining national recognition as a leader in the arena of land conservation and development.

Oregon's Statewide Planning Goals

DLCD manages the statewide planning program that has one basic purpose: to protect and advance Oregon's quality of life. For most people, that quality of life is a combination of bountiful natural resources, livable communities, affordable housing, a robust economy, clean air and water, and efficient, low-cost public services.

Because Oregon's quality of life has all those components and more, the program to protect it is equally diverse. The

program rests on a foundation of 19 statewide planning goals. The goals are broad statements of state policy for local governments to use in developing their comprehensive plans and land use ordinances.

To develop the goals, LCDC and DLCD conducted a yearlong public outreach effort in 1974*. More than 100 public hearings and workshops were held; more than 10,000 Oregonians participated.

Oregon's 19 planning goals state the following:

1. Citizen Involvement

To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

2. Land Use Planning

To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

3. Agricultural Lands

To preserve and maintain agricultural lands.

4. Forest Lands

To conserve forest lands by maintaining the forestland base and to protect the state's forest economy.

5. Natural Resources, Scenic and Historic Areas, and Open Spaces

To protect natural resources and conserve scenic and historic areas and open spaces.

6. Air, Water and Land Resources Quality

To maintain and improve the quality of the air, water and land resources of the state.

7. Areas Subject to Natural Hazards

To protect life and property from natural disasters and hazards.

* Goal 15 was adopted in 1975. Goals 16-19 were adopted in 1976.

8. Recreational Needs

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities, including destination resorts.

9. Economic Development

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

10. Housing

To provide for the housing needs of citizens of the state.

11. Public Facilities and Services

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

12. Transportation

To provide and encourage a safe, convenient and economic transportation system.

13. Energy Conservation.

To conserve energy.

14. Urbanization

To provide for an orderly and efficient transition from rural to urban land use.

15. Willamette River Greenway

To protect, conserve, enhance and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway.

16. Estuarine Resources

To recognize and protect the unique environmental, economic, and social values of each estuary and associated wetlands, and to protect, maintain, where appropriate develop, and where appropriate restore the long-term environmental, economic, and social values, diversity and benefits of Oregon's estuaries.

17. Coastal Shorelands

To conserve, protect, where appropriate, develop and where

appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and aesthetics.

18. Beaches and Dunes

To conserve, protect, where appropriate develop, and where appropriate restore the resources and benefits of coastal beach and dune areas; and to reduce the hazard to human life and property from natural or man-induced actions associated with these areas.

19. Ocean Resources

To conserve the long-term values, benefits, and natural resources of the nearshore ocean and the continental shelf.

ORGANIZATION

The Land Conservation and Development Commission

Like many of Oregon's state agencies, a citizen commission – the Land Conservation and Development Commission (LCDC) – directs DLCD. The Commission's seven members are appointed by the governor and confirmed by the Senate.

Most of LCDC's seven volunteer members are now or were formerly officials of cities or counties across Oregon.

LCDC sets agency policy, develops regulations, and oversees the management and operations of the agency.



**Margaret Kirkpatrick,
Vice-Chair**
Attorney, Portland



Marilyn Worrix
Real Estate Broker,
McMinnville



Tim Josi
County Commissioner,
Tillamook

Hanley Jenkins,
County Planning Director,
Union



**John VanLandingham,
Chair**
Attorney, Eugene



Dennis Derby
Real Estate Developer,
Builder, Portland



Ron Henri
Agricultural Business
Executive,
Talent



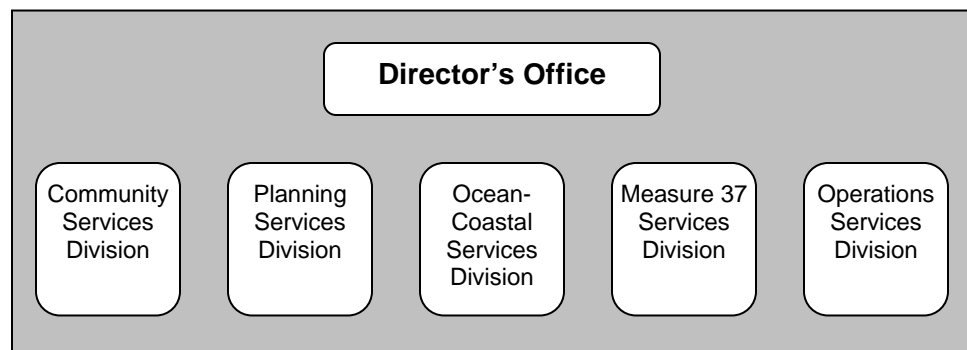
DLCD's Organization

Most agency staff is based in Salem, in the north wing of the Agriculture Building. DLCD has a Portland field office with six employees. DLCD also has field offices in Waldport (3 employees), Bend (3), Eugene (1), La Grande (1) and Central Point (1).

The Department of Land Conservation and Development has five divisions:

- **Community Services Division**
- **Planning Services Division**
- **Ocean-Coastal Services Division**
- **Measure 37 Services Division**
- **Operations Services Division**

Each division has a manager who reports to the director. Policy analysis, legislative liaison functions, rules coordination, LCDC support and communications are in the director's office.



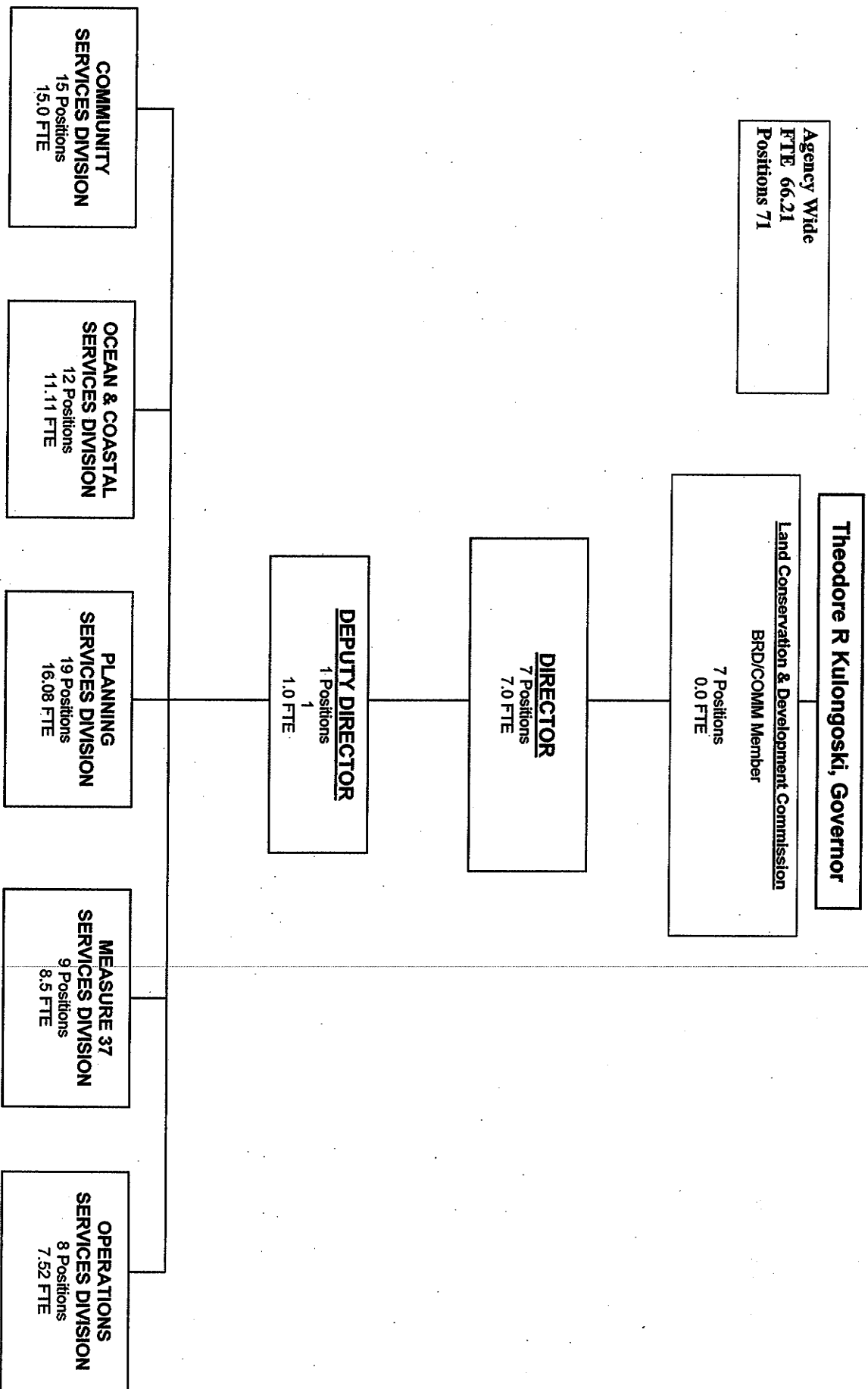
Current Organization

DLCD's 2005-07 budget, as approved by the 2005 Legislature, authorizes 66.21 FTE.

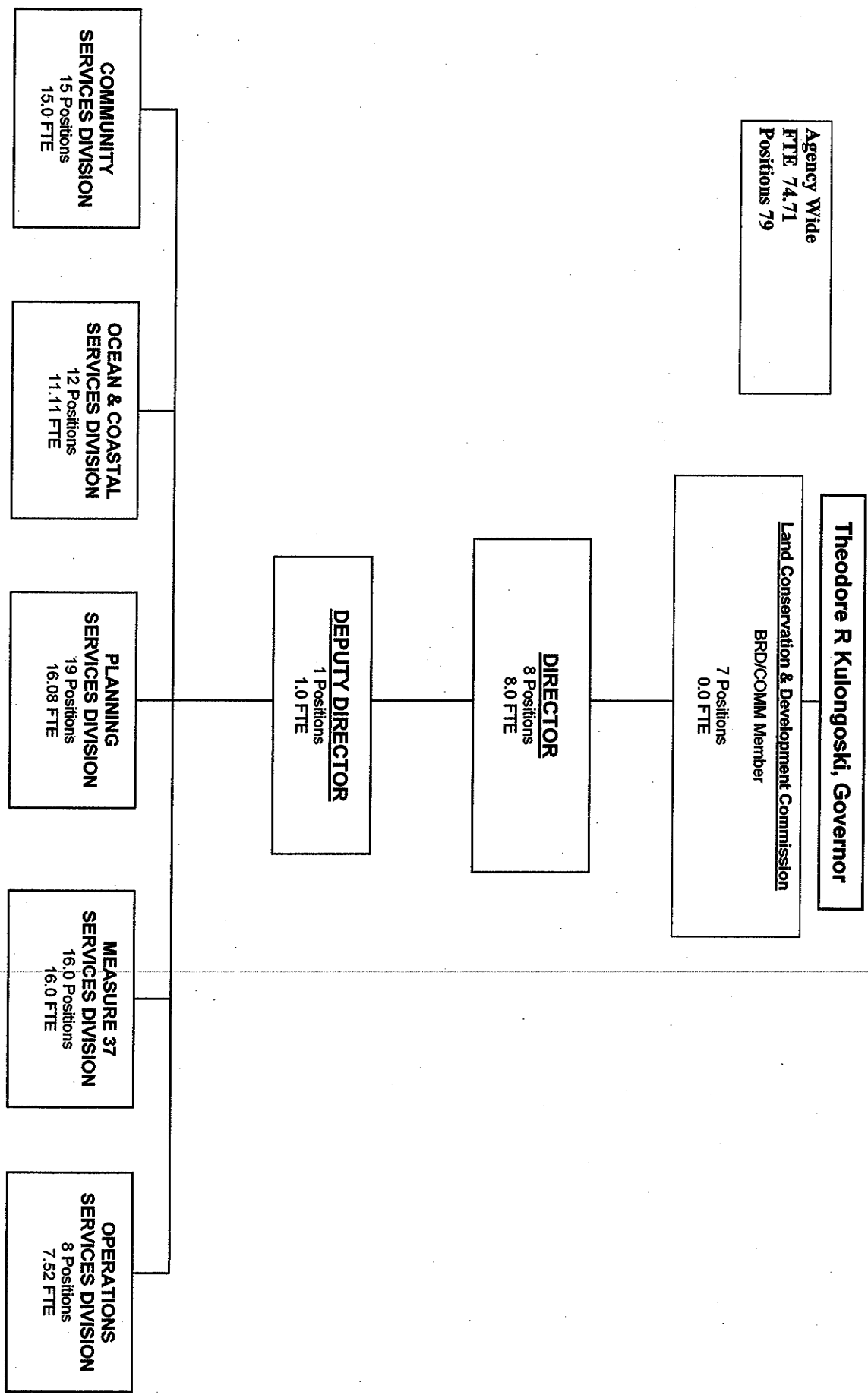
The Governor's Recommended Budget for 2007-09 will increase staffing 11 percent to 74.71 FTE. Most of the FTE increase is to expand capacity of the Measure 37 Services Division.

DLCD's 2005-07 structure is shown in the organization chart on the next page (page 10). The agency's structure, in accordance with the Governor's Recommended Budget for 2007-09, is shown on page 11.

2005-2007 DLCD ORGANIZATION CHART



2007-2009 DLCD ORGANIZATION CHART



Agency Wide
FTE 74.71
Positions 79

How DLCD's Organization Relates to the Budget

The Governor's Recommended Budget for DLCD has two budget units:

- **Planning and Administration** (all program services)
- **Grants to Local Governments** (funding assistance for local governments, no staffing)

SERVICES

Communities of Interest We Serve

Oregon's statewide planning program addresses a wide array of issues and interests. Each community in the state has unique needs. DLCDC identifies its program functions based on services to these communities:

Citizens

Statewide planning Goal 1 empowers Oregon citizens to participate in all phases of local and state land use planning process. We provide information to help citizens participate through our website, publications and through direct assistance. DLCDC also provides staff support to the Citizen Involvement Advisory Committee (ORS 197.160).

Local Governments

Oregon's cities and counties are our partners and implement the land use program through local land use plans, zoning ordinances, development ordinances and other regulations. We serve them by providing direct technical assistance grants. DLCDC also provides staff support to the Local Officials Advisory Committee (ORS 197.165).

The Oregon Legislature

The legislature maintains oversight authority for the land use enterprise. We provide information, serve on legislative committees and help inform the legislature's decisions.

Development Interests

The department's economic development team and field service staff provide technical assistance to development interests that do business in Oregon's communities.

Agriculture and Natural Resource-Based Economies

Natural resource-based industries are pillars of Oregon's economy and way of life, particularly in rural areas. We provide technical assistance to the natural resource industries to help them address their land use issues.

Housing and Development Economies

A key function of the land use enterprise is to ensure that communities have a range of housing types.

State Agencies

State agencies have responsibilities and authorities related to land use and development.

Federal Agencies

Federal agencies own or manage more than 53 percent of the state's land area. Some have significant regulatory programs that influence state and local land planning.

Tribal Governments

Oregon's tribal governments are increasingly assuming management responsibility for lands and resources and are carrying out a variety of community development activities on these lands. We work with the tribes through the Government-to-Government program (SB 770, 2001).

Ports and Special Districts

Oregon's 23 port districts are local governments that serve both public and private purposes. Ports own land to support a variety of economic enterprises. We work with ports to address their specific land needs.

Integrating Transportation and Growth

The Transportation and Growth Management (TGM) program supports community efforts to expand transportation choices for people. By linking land use and transportation planning, the program works in partnership with cities and counties to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go.

Managing Oregon's Coastal and Ocean Resources

The Oregon Coastal Management Program receives federal Coastal Zone Management funding to provide a variety of services to meet the challenge of balancing growth and development with the responsibilities of protecting coastal resources enjoyed by all Oregonians.

Natural Hazards Planning

Planning for natural hazards requires up-to-date maps and information. DLCDC has been working with the Federal Emergency Management Agency (FEMA) since 2005 to modernize all flood hazard maps statewide so that local governments and property owners have the most accurate information via digital maps on the Internet.

Federal Consistency Review

DLCD reviews proposed federal projects and permits affecting the coastal zone (west of the crest of the Coast Range) to ensure that federal actions and permitted activities are consistent with Oregon's Coastal Management Program.

Key Tools

DLCD uses an array of tools to help local governments address planning issues and solve problems. Key tools are briefly described below. A more extensive explanation of each tool is found in this presentation's detailed discussion.

Technical Assistance

Many cities, counties and individual citizens depend on DLCD staff for vital information and advice regarding planning and development issues. This comes in the form of verbal consultation as well as development and distribution of handbooks. DLCD's regional representatives and planning specialists are the key agents for this work.

Grants to Local Governments

DLCD offers grants to local and regional governments for a variety of activities, including economic development opportunities analyses, buildable lands inventories and planning for growth. The grants help cities and counties adopt, apply, and update their plans and ordinances, meet statutory obligations and comply with the statewide goals.

Periodic Review

To be most useful, local comprehensive plans must be periodically updated. LCDC establishes a schedule for plan updates and DLCD works with local governments to complete the updates. A new round of periodic review will begin in mid 2007. (ORS 197.628 – 197.636)

Plan Amendment Review

Each year, DLCD monitors and reviews hundreds of amendments to local comprehensive plans and land use ordinances. DLCD staff work with local governments on some of these amendments to attain compliance with the statewide planning goals. In the 2005-07 biennium, DLCD receive more than 1,000 notices of plan amendments, commented on about 150 proposals, and appealed just three local decisions. (ORS 197.610 – 197.625)

Process Streamlining

DLCD works with local governments to make the statewide planning goals and administrative rules efficient, clear, consistent with new legislation and case law, and responsive to the needs of local governments. The agency also works with local governments to streamline their regulations and ensure that the regulations do not hinder desired development. (Executive Order 01-03)

Agency Collaboration

The agency director and key staff actively participate in the Economic Revitalization Team (ERT), working with state agencies and local governments to solve specific local problems. DLCD also has coordination agreements with 26 state agencies that have programs affecting land use (ORS 197.180).

Support for LCDC, CIAC and LOAC

The statutes mandate that three bodies steer and/or provide advice on the statewide planning program. These are the Land Conservation and Development Commission (LCDC), the Citizen Involvement Advisory Committee (CIAC) and the Local Officials Advisory Committee (LOAC). Agency staff conducts a variety of activities to support the public meetings and the operations of these bodies (ORS 197.030, ORS 197.160, ORS 197.165).

Public Information

DLCD produces a variety of publications, electronically distributes news and information; and responds to inquiries from the media and citizens.

Required Reporting

DLCD collects land use data and prepares it for distribution to the public. This includes annual reports on farm and forestland development and the department's biennial report (ORS 197.060, ORS 197.065, ORS 197.178).

Landowner Notification

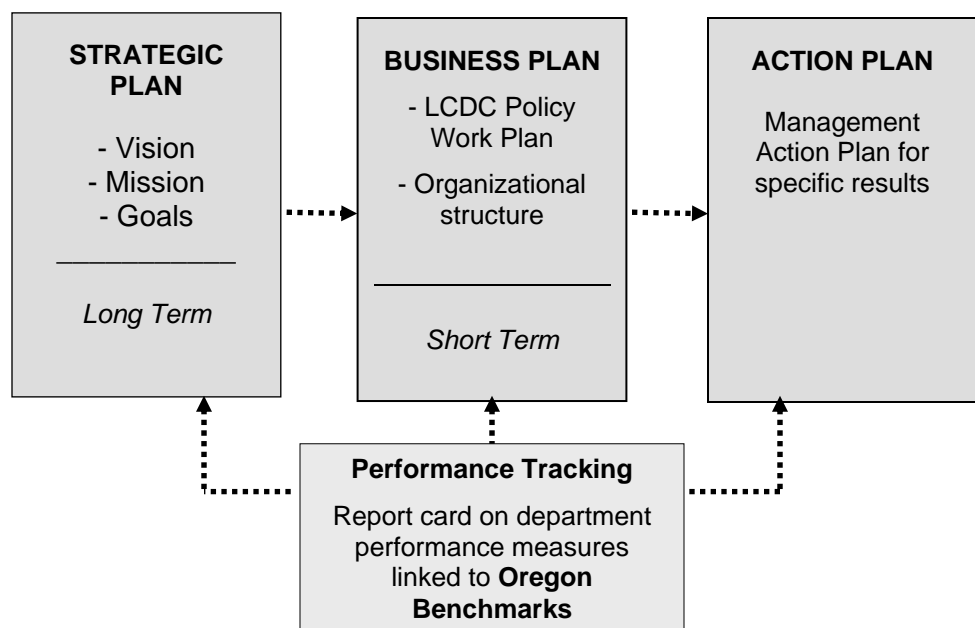
Ballot Measure 56 (1998) requires notification to property owners when a regulation is adopted or amended that may affect the value of their property. DLCD provides written notices about changes in land use laws and reimburses local governments for their costs of mailing the notices to affected landowners.

PERFORMANCE MANAGEMENT

Framework

DLCD has established a strategic planning and performance management system that fosters continuous improvement of the agency's policies, programs, and procedures. The framework for this system is illustrated in the diagram below.

- The agency's **Strategic Plan** (Appendix A) sets forth the agency's vision, mission and goals for the next six to 10 years.
- The **Business Plan**, as described in the Governor's Recommended Budget document, sets out how the agency will work over the next two to four years to achieve the agency's vision and strategic goals. It is directly tied to the agency's budget.
- The **Action Plan** establishes specific assignments and expectations for managers and employees.
- The **Performance Measures** (Appendix D), which are linked to the Oregon Benchmarks, measure progress toward achieving the strategic plan.



Long-term Strategic Goals

The goals below, along with the vision and mission statement at the beginning of this presentation (Page 4), form DLCD's Strategic Plan. LCDC approved the plan in 2002 after a series of stakeholder meetings. The goals are a statement of DLCD's aspirations over the next six to 10 years.

1. Promote Economic Development and Quality Communities

Increase projects that improve economic development and enhance livability and sustainability in communities statewide.

2. Secure Oregon's Legacy

Protect farm, forest, coastal and other natural and economic resources.

3. Improve Collaboration

Establish a network of public- and private-sector partners to identify and promote shared interests.

4. Improve Collaboration and Deliver the Highest Level of Customer Service Possible

Improve workforce excellence and deliver the highest level of customer service possible.

5. Streamlining

Strive to make the statewide land use system less process-oriented and more outcome-oriented.

Short-term Strategic Initiatives

DLCD has identified a set of short-term initiatives. These initiatives are part of the agency's business plan, which has a two-to-four year timeframe. In the 2007-09 biennium, DLCD will focus on these 11 strategic initiatives, consistent with funding available in the Governor's Recommended Budget.

- 1. 30-Year Review of the Statewide Land Use Program**
- 2. Implementation of ORS 197.352 (Measure 37)**
- 3. Land Supply/Sustainable Economic Development**
- 4. Government Streamlining**

5. **Urban Transportation**
6. **Farm/Forest Programs**
7. **Coastal Resources**
8. **Hazards Planning**
9. **Environmental Protection**
10. **Outreach**
11. **DLCD Services**

Performance Measures

As part of its strategic planning efforts, DLCD has revised its performance measures. The department's progress on its current performance measures can be found in the DLCD's October 2006 Annual Performance Measure Report (Appendix D).

Related attachments include:

- Proposed 2007-09 Key Performance Measures & Criteria Review
- Policy Option Package 101: Measure 37
- Policy Option Package 102: Flood Hazard Map Modernization
- Policy Option Package 103: 30-Year Land Use Review

BUDGET OVERVIEW

Major Budget Issues

Building Economic and Community Development Capacity in DLCD

Oregon's statewide planning program is fundamental to the state's economic prosperity. The program helps local governments conduct economic development needs analyses, community development planning and to make land available for housing, industrial and other employment and community needs.

Measure 37

Ballot Measure 37 was passed by the voters on Nov. 2, 2004, and became effective Dec. 2, 2004. It requires government to pay landowners compensation for land use regulations that limit the use of private property and cause a reduction in value of the property, subject to certain exemptions. In lieu of compensation, the measure authorizes government to "remove, modify or not apply" a land use regulation, to allow the owner to use the property for a use permitted when the owner acquired title.

The measure has had, and will continue to have, a significant impact on department staff workload and Attorney General (and related) costs, as most of the claims filed with the state involve statutes, goals or administrative rules under the land use program overseen by the department.

The Governor's Policy Package 101: Measure 37, or a revised version of it as necessary, will fund the department's continued Measure 37 claim processing efforts and litigation costs.

Dependence on General Funds

DLCD depends principally on General Funds for its core activities, including technical assistance to local governments and grants to local governments.

Diminishing Resources on the Local Level

Oregon's statewide planning program is, in essence, a system of local comprehensive plans. Local governments, however, face increasing problems with funding the work that goes into developing and updating these plans. Many cities and counties have little or no funds to support planning services to even meet local needs. Fees rarely cover actual costs, let alone comprehensive planning. During the 1990s, local governments suffered large reductions in General Funds. As a result, cities and counties have not had the resources to do planning projects, even though an up-to-date plan is a key tool to support sustainable communities.

Balancing Staff and Grants for Local Needs

Any significant reduction in General Fund expenditures would result in a reduction of staff or grants to local governments. Reducing staff affects Measure 37 claims processing, and services to communities that rely on the department for planning assistance. At the same time, local governments depend on grants from DLCD to update their plans. In making the hard choices about priorities, LCDC has tried to find a balance that will maintain the highest level of services to local governments and appropriate review and processing of Measure 37 claims.

Increasing Demands for Urban Planning Assistance

DLCD's workload has also increased due to a greater need to provide technical and financial assistance to local governments facing urban planning issues. DLCD staff work closely with local planners to address complex urban issues such as economic development and transportation systems. Agency professionals are more effective if they can be proactive on these issues. It is also important to note that a two biennia moratorium on new periodic reviews will lift at the beginning of the 2007-09 biennium. Twenty jurisdictions will become subject to periodic review in July 2007, and each will likely need assistance developing and carrying out a work program for plan updates.

Governor's Recommended Budget Summary

DLCD is funded through General Fund, Federal Funds and Other Funds. Federal Funds come from the Federal Emergency Management Agency (FEMA) for floodplain management work. They also come from the National

Oceanic and Atmospheric Administration (NOAA) for coastal planning and management. Other Funds, derived from federal transportation funds, come through the Oregon Department of Transportation.

In the 2007-09 Governor’s Recommended Budget, approximately 63 percent of the agency’s staff positions are paid for with General Fund, 30 percent with Federal Funds, and 7 percent with Other Funds.

The 2005 Legislature approved \$14.0 million General Fund for DLCD in the 2005-07 biennium. The Governor’s Recommended Budget proposes \$15.9 million in General Fund for 2007-09. General Fund dollars are increased by \$1.9 million.

The chart below shows a summary of DLCD’s Legislatively Approved Budget for the 2005-07 biennium, including limited duration positions provided in a June 2006 Emergency Board action and the Governor’s Recommended Budget for 2007-09.

	Legislatively Approved Budget 2005-07	Governor’s Recommended 2007-09
General Fund	\$14,058,365	\$15,984,821
Federal Funds	5,882,984	6,353,901
Other Funds	759,276	799,347
Total Funds	\$20,700,625	\$23,138,069
Positions	78	79
Full-time Equivalents	70.38	74.71

The Governor’s Recommended Budget includes three policy packages listed below. These are further described in the detailed section.

- Policy Package 101: Measure 37
- Policy Package 102: Flood Hazard Map Modernization
- Policy Package 103: 30-Year Land Use Review

ADDITIONAL INFORMATION

Quality Improvement/Efficiency Concept

The following is taken from the department's memo to the Subcommittee from Feb. 12, 2007:

Continued population growth and the resulting pressures on land management, planning and development have increased the Department of Land Conservation and Development's (DLCD) workload. Growth presents challenges to urban growth boundary expansion; economic development planning; transportation system planning; development of agricultural and rural lands; preservation of natural resources; coastal development; natural hazards planning; and maintenance and development of adequate infrastructure.

As identified by the Legislative Fiscal Office in its analyst report on Governor's Recommended Budget, the department has faced significant funding challenges over the past several years. DLCD has no fee-supported revenue or access to alternate sources of Other Funds placing it in a position to be reliant on general purpose tax revenues and federal sources. The Department of Land Conservation and Development faces these funding and workload challenges with 57 positions in its base Governor's Recommended Budget for 2007-09.

In response to these challenges, the department strives to provide consistent quality service within its limited budget. As a part of this effort, the department has initiated and implemented several changes in its business practices and continues its evaluation of these efforts on an ongoing basis. While these efforts and coordinated responses have not yielded quantifiable savings at this time, demonstrable improvements in the effective and efficient provision of services have resulted. As outlined in the "List of Efficiencies" provided in the Special Reports tab of the Governor's Recommended Budget Document and in addition to that list, a few of the department's quality improvement and efficiency efforts (and accomplishments) are outlined below.

- 1) The department has recently been commended by and received acknowledgement of its budget restructure and financial modeling from the Budget and Management Division of the Department of Administrative Services. These models, developed by the department, have been implemented by several other state agencies, where they are currently in use. These models provide standardized, accountable financial reporting to department stakeholders.
- 2) The department has recently been commended by and received acknowledgement of its centralized purchasing practices from its supplier representative. The department performs centralized purchasing once a week. Emergencies arise and are accommodated. Centralized purchasing has decreased staff ordering time, and increased department efficiencies by consolidating supplies and ensuring decreased duplication in ordering.
- 3) The department has developed Measure 37 report and letter templates allowing for efficient preparation and standardization of its processing of Measure 37 claims. Implementation of these report templates have allowed staff to address more substantive issues of each claim rather than reinvent information and processes that are standard in many claims.
- 4) The department has invested in information technology and has dramatically improved the speed and accessibility of information for all staff within the department. These improvements have also increased security and business continuity contingency efforts. Many of the projects have upgraded staff capacity to address local government needs. The department continues its evaluation of information technology to decrease duplication of effort and provide timely response to inquiries including evaluation of remote desktops, video conferencing for regional representatives, and other information technology opportunities. Projects currently underway include: server and infrastructure modernization to meet changing needs of agency access and storage capacity; implementation of a life-cycle replacement plan for workstations to maximize end user productivity; wireless network and security enhancements to keep

pace with ever-changing demands of end-user access and security protocols in providing services to commission attendees; network peripheral life-cycle replacement plan to maximize end-user productivity; implementation of off-site disaster recovery systems for complete recovery scenarios; and expansion of over 15 times the data storage capacity of the department's GIS systems. This enhanced GIS system will serve the entire department's GIS land use planning data and assist Measure 37 activities and provide better tracking. Each of these IT enhancements and evaluations allow the department to better serve its local government partners and private sector stakeholders.

- 5) The Land Conservation and Development Commission (LCDC) and the department have continued their ongoing efforts to streamline and update the land use program throughout the biennium. To the extent that the land use program that the department oversees can be streamlined and made more efficient, the department's services and internal operations will benefit likewise. Recent policy and rule projects include, but are not limited to, the following:
 - a. Amendment of rules regarding local economic development planning (OAR 660, Division 009) in response to legislation and a Governor's Executive Order. The rule revisions will streamline the economic development planning process.
 - b. Adoption of new administrative rules to clarify and streamline state policy regarding urban growth boundaries (UGBs) and providing "safe harbors" that local governments may choose to follow to simplify the UGB amendment process.
 - c. Creation and distribution of: "An Introductory Guide to Land Use Planning for Small Cities and Counties in Oregon" providing basic information regarding the land use planning process in Oregon.

- 6) The department is working closely with city and county stakeholders and agency partners to guide local planning despite fewer state and local government resources. The department's staff is

continually seeking ways to reduce costs and increase effectiveness and efficiency by coordinating with other agencies. Coordinated responses include:

- a. DLCD's efforts with the Economic Revitalization Team (ERT) and other state agencies to integrate the department's efforts to provide assistance to local governments and to ensure local governments' compliance with the statewide planning goals.
- b. Establishment by LCDC and the Oregon Transportation Commission (OTC) of a joint subcommittee that meets regularly to monitor implementation of the Transportation Planning Rule (TPR) and direct appropriate and coordinated rule changes.
- c. Maintenance under state law (ORS 197.180) of agency coordination agreements with 26 state agencies with programs that affect land use. These state agency coordination agreements help DLCD staff in assisting other agency programs to be consistent with the state's planning goals and compatible with the acknowledged comprehensive plans of local governments; and
- d. Collaboration with coastal communities and federal agencies under the federal Coastal Zone Management Act to make sure federal permitting actions in Oregon's coastal zone are consistent with the Oregon Coastal Management Program. DLCD coastal staff helps to ensure that coastal communities have leverage over federal permit decisions.

In summary, the department strives – and continues to strive – to provide quality service within its limited budget; to do more with less and allow its staff to be redirected toward substantive policy and programmatic duties.

Reductions Submitted to the Legislative Fiscal Office but not in the Governor's Recommended Budget

The department was asked to submit an additional two percent reduction option. The following is from the

department's memo to the Subcommittee from Feb. 12, 2007:

History

The Department of Land Conservation and Development (DLCD) has historically taken all reductions in its budget from the supplies and services category. For instance, during the special sessions of 2001-03 reductions in training, attorney general, and professional services categories were taken that rolled forward into the 2003-05 Legislatively Adopted Budget. In 2005-07, the department was required to take a 2% reduction and reflected it in all non-fixed supplies and services accounts. Non-fixed accounts include: training, in-state travel, IT, etc. These reductions also had a permanent effect on the department's budget. In essence, the department has prioritized grants to local governments and personal services over supplies and services, which we believe was and still is appropriate.

As a result of the department's recent evaluation of budget reduction history and its commitment to providing grants to its local government partners, you will see the department's proposal includes a minimal reduction in supplies and services. The department's total 2% reduction target in General Fund base budget is \$206,082 and \$19,352 in Other Funds.

Target Achievement

The department will meet its 2% General Fund reduction target of \$206,082 by reducing its information technology expenditures by \$36,082 and also reducing its landowner notification special payments by \$170,000. The department anticipates it will be able to take these reductions based on current statutorily required reimbursement patterns to local governments for landowner notification. Please note that these programmatic reductions mean the department will be limited in its ability to reimburse local governments for landowner notification. If the department receives reimbursement requests beyond its budget, the department may need to come forward with a request to fund these unanticipated landowner notification reimbursements.

The department respectfully requests a revised Other Fund target because the target does not take into account actions applied after base budget. The current \$19,352 target is based on an overall Other Fund base amount that includes

\$168,255 already being removed in an essential policy package (because it is empty limitation). The department requests a revised Other Fund target of \$1,771 and acknowledgment of Other Fund reductions already occurring in essential packages.

The department will meet its proposed Other Fund target of \$1,771 target by renegotiating receipt of its Other Funds revenue transfer from the Department of Transportation in support of this program and reducing its in-state travel expenditures for the DLCDC Transportation and Growth Management Program. A reduction to this program is actually a reduction in Federal funds since our other funds are actually federal funds. If the target remains at \$19,352, the department will be required to reduce its Other Fund in-state travel budget by 68%.