

Planning & Administration

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A.1. Purpose, statutory basis, goals

Purpose

The Planning and Administration budget program unit contains the bulk of DLCD's services to local governments and citizens. All of DLCD's staff is in this unit.

Key Statutes

- ORS Chapter 195
- ORS Chapter 196
- ORS Chapter 197
- ORS Chapter 215
- ORS Chapter 227

Key Goals

The goals of the Planning and Administration budget unit are DLCD's long-term strategic goals:

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.

A.2. How are services delivered and to whom?

The Planning and Administration budget unit serves all of Oregon's citizens and its local and regional governments. Oregon's statewide planning program addresses a wide array of issues and interests, ranging from economic development to farmland protection, citizen involvement to certainty in development regulations, affordable housing to protection of coastal beaches.

Each community in the state has unique needs. DLCDC identifies its program functions based on services to these communities:

Citizens

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

Local Governments

Oregon's cities and counties are partners and implement the land use program through local land use plans, zoning ordinances, development ordinances, design review standards and other regulations. We serve them by providing direct technical assistance grants. DLCDC also provides staff support for the statutory Local Officials Advisory Committee.

The Oregon Legislature

The legislature maintains oversight authority for the land use enterprise. We provide background material, serve on legislative committees and help inform their 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 agriculture and 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 land for a wide range of housing types and costs available. For example, we work directly with the Housing and Community Services Department to help local governments and others assess housing needs.

State Agencies

State agencies have responsibilities and authorities related to land use and development, including:

- Department of Agriculture
- Economic and Community Development Department
- Department of Fish and Wildlife
- Department of Forestry
- Department of Geology and Mineral Industries
- Parks and Recreation Department
- Revenue Department
- Department of State Lands
- Department of Transportation
- Office of the Governor
- Housing and Community Services Department
- Department of Human Services, Health Services Division
- State Marine Board
- Water Resources Department
- Oregon Watershed Enhancement Board
- Department of Environmental Quality

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, including:

- U.S. Forest Service (USFS)
- U.S. Bureau of Land Management (BLM)
- U.S. Fish and Wildlife Service (USFWS)
- U.S. Environmental Protection Agency (EPA)
- Department of Homeland Security – Federal Emergency Management Administration (FEMA)
- Federal Highway Administration (FHWA)
- National Oceanic and Atmospheric Administration (NOAA)
- U.S. Army Corps of Engineers (USACOE)
- U.S. Bureau of Reclamation (USBOR)
- U.S. Geological Survey (USGS)

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.

Also, LCDC periodically holds roundtables with tribal officials to discuss issues affecting the tribes. DLCD's efforts in this area center on statewide planning Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Spaces), dealing with local planning and zoning for natural resources and for cultural and archeological sites, and Goal 11 (Public Facilities and Services), addressing provision of services to tribal lands. (ORS 182.162 – 182.166)

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 Growth

DLCD and the Oregon Department of Transportation (ODOT) jointly operate the innovative Transportation and Growth Management Program. The program's mission is:

Oregon's Transportation and Growth Management Program supports community efforts to expand transportation choices for people. By linking land use and transportation planning, TGM works in partnership with local governments to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go.

Oregon's rapid growth threatens to decrease the livability of our communities, reduce our mobility and increase transportation costs. To help address these issues, ODOT and DLCD joined forces in 1992 to integrate transportation planning with statewide land use planning. The result was the Transportation and Growth Management Program, approved by the 1993 Legislature.

The TGM program is supported largely by federal funds under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Oregon's "match" for the SAFETEA-LU Grants comes from state general and local funds.

TGM has four main tools for fulfilling its mission:

- Grants to local governments – These grants help communities plan for streets and land use in a way that creates livable, transportation-efficient communities and makes the best use of state highway infrastructure.
- Quick-Response Team – The team works with developers and local officials to incorporate transportation-efficient design options into development proposals. It also works with local governments to integrate their transportation system plans and land use plans, and to apply urban growth management tools. Over 12 projects received assistance during the 2005-07 biennium, including plans for moving a bus depot in downtown Medford, development of parking and streetscape alternatives in Cannon Beach, and support for analyzing school-siting alternatives in Ontario.
- Code Assistance – The TGM program facilitates and funds assistance for local governments to prepare or amend development codes implementing transportation system and land use plans, and to apply urban growth management tools. During 2005-07, the Code Assistance program served over 15 communities across the state, from Irrigon to Sherwood to Lincoln City. The program has helped cities as small as Merrill and as large as Newberg.
- Public Outreach – TGM uses a combination of public workshops, publications, lectures, and technical assistance to help increase understanding and acceptance of transportation-efficient development principles among local officials and planners, realtors and developers, and the general public. Over a dozen communities received direct outreach during 2005-07 and TGM sponsored or co-sponsored lectures on specific topics such as urban design and parking strategies in four cities. The outreach program has also had a presence in every region of the state during the biennium.

Managing Oregon's Coastal and Ocean Resources

Oregon's coast continues to attract new residents, summer travelers, weekend visitors and new businesses. Virtually all of the coastal communities experienced increasing demands for new development, especially housing, over the past two years.

Local governments from Astoria to Brookings are undertaking a wide range of planning, development and redevelopment projects to increase livability and promote economic growth.

The Oregon Coastal Management Program (OCMP) receives federal Coastal Zone Management (CZM) funding to provide a variety of services to meet the challenge of balancing growth and development with the added responsibilities of protecting coastal resources and values enjoyed by all Oregonians. These services to coastal communities include:

On-Site Advice and Assistance – The OCMP has increased local assistance through its field office in Waldport. Two community service representatives and one coastal shores specialist work from this office to assist local planners and officials. Other program staff members travel to coastal cities and counties to provide assistance and help solve planning issues. This field presence and communication helps local governments solve problems effectively.

Technical Support – Local governments use OCMP technical expertise on economic development, coastal hazards, water pollution prevention, GIS and other information technologies. But a principal OCMP service is matching experts in other state or federal agencies, academia and the private sector to local government needs.

Financial Assistance – During the 2005-07 biennium, OCMP directed more than \$1.4 million in federal CZM funds to Oregon's coastal cities, counties and port districts in several categories:

- Planning Assistance Grants that support core planning functions;
- Technical Assistance/Special Project Grants to meet emerging needs;
- Small Scale Construction or Acquisition Grants (306A) for coastal access and recreational projects;
- Stormwater Management Grants to reduce or prevent water pollution caused by stormwater runoff; and
- Intergovernmental Cooperative Agreements (IGAs) to fund special projects that contribute economic development and community livability.

Training, Education and Information – OCMP provides information to local governments through:

- Land Use Planning Workshops – OCMP held about two dozen individualized evening training sessions for city and county

- planning commissioners, city councils, and county commissioners on Oregon's land use system as applied in their community.
- GIS Training – OCMP sponsored accredited training sessions for local government planners in GIS technologies and techniques.

Oregon Coastal Atlas – The department is proud to host an innovative, customer-driven, 24/7 information delivery service via the Internet that was developed by OCMP in cooperation with Oregon State University, NOAA, and other partners. On the website www.coastalatlantlas.net, users can find, manipulate and download a range of information, maps, training modules and analytical tools to inform decision-making, whether for permits, development, or simply to take a hike.

The Atlas website is heavily used; close to 500 visits per day result in nearly 3 millions hits per year.

The Atlas serves other state agencies, too, by hosting and serving such data as tsunami inundation and landslide hazard maps from the Department of Geology and Mineral Industries, beach water quality monitoring data from the Oregon Health Division, and coastal access information for Oregon Parks and Recreation Department. These and many other data sets and maps can be combined to create unique custom maps. Such on-line information saves time, money and effort.

NOTE: Many service improvements for the Atlas are planned for 2007-09, including major interface and database upgrades. In addition, a NOAA Coastal Management Fellow has been assigned to the Atlas project beginning August 2007 to work on creating tools and improving data access for ocean management-related decision making.

Federal Consistency Review – DLCD reviews proposed federal projects and permits affecting Oregon's coastal zone (west of the crest of the Coast Range) to ensure federal actions and federally permitted activities are consistent with Oregon's Coastal Management Program, including local comprehensive plans. This "federal consistency" authority is a very unique concept under federal law – it greatly limits federal preemption and preserves state rights.

Technical Assistance

Technical assistance is one of DLCD's most important services because local governments, not the department, implement the statewide goals. By providing local officials with effective planning practices – as well as giving them information about how to meet the requirements of Oregon's

planning system – DLCDC helps its partners in local government to implement the goals of Oregon’s statewide planning program.

It provides such assistance in a variety of ways:

- The agency’s regional representatives and central office staff meet frequently with local planners and elected officials to help solve problems, facilitate appropriate development, and explain state laws and policies. As a result of this direct communication, many of DLCDC’s planners are on a first-name basis with dozens of their local counterparts.
- The agency develops handbooks and policy guides on economic development planning, land use legislation, growth management, planning for aggregate resources, natural resource planning and hazards management. The development of these resources is sometimes provided through federally funded personal service contracts. The department also conducts workshops and training sessions for local planners and public officials.
- DLCDC uses both new technology and traditional mailings to get the latest information to local planners quickly. For example, the agency created a new quarterly online newsletter in 2005 to improve its communications with local government. Also, the agency routinely e-mails draft administrative rules, bulletins and notices to all city and county planning departments in Oregon.
- The agency works closely with the Oregon Chapter of the American Planning Association, League of Oregon Cities, and Association of Oregon Counties to support and participate in conferences and training sessions for local planners.

Process Streamlining

DLCDC administers regulations that require and guide local land use planning. The department does not issue permits. We are working hard 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.

- State Agency Integration – DLCDC is working with the Economic Revitalization Team (ERT) and other state agencies to integrate our efforts to provide assistance to local governments and to ensure local governments’ compliance with the statewide planning goals.
- Appeals – Past legislatures enacted several measures to streamline the appeals process for local land use decisions, including a 21-

day deadline for filing an appeal. Only those who have testified on a local land use matter may appeal, and only with respect to an issue they have raised in the local hearings process. All local appeals go to LUBA, which must make a decision within 90 days. In part due to these measures, only about 0.1 percent of all local land use decisions are appealed by affected parties, and state initiated appeals have dropped to an average of 10 per year.

- Plan Amendments – Department staff stays in touch with local governments and become involved in significant local land use decisions as early as possible to communicate concerns, make recommendations and seek solutions that provide a win-win for all parties.
- Grants and Technical Assistance – DLCDC provides grants and technical assistance to help local governments prepare plan and ordinance amendments that comply with land use regulations. The department is examining ways to more effectively and efficiently provide these services, and to help local governments save time and money in addressing statewide planning requirements. A Grants Advisory Committee, composed of stakeholders including local governments, provides oversight and advice on the General Fund grants program.
- UGB Amendments – LCDC adopted new administrative rules to clarify and streamline state policy regarding urban growth boundaries (UGBs). The new rules provide “safe harbors” that local governments may choose to follow, at their option, in order to meet goal requirements for UGB amendments. The new rules also address Goal 14 (Urbanization) requirements regarding population forecasting, determining the long-term need for housing and employment, and exchanging land inside a UGB for land outside a UGB.
- Economic Development Planning Rule Amendments – LCDC amended administrative rules regarding local economic development planning. The amendments are intended to foster economic development in Oregon’s communities, improve the accuracy and reliability of local inventories and forecasts of commercial and industrial land supply, and to increase the supply of industrial sites that are “shovel-ready.”

- In response to House Bill 3310 (2005), the department streamlined the process for Periodic Review, including updates and streamlining of administrative rules. The amendments include provisions for a customized, expedited Periodic Review process and fewer opportunities for appeals.
- LCDC and the Oregon Transportation Commission (OTC) established a joint subcommittee that meets regularly to monitor implementation of the Transportation Planning Rule (TPR) and direct appropriate rule changes. In March 2005, LCDC adopted amendments clarifying rules for review of plan amendments and zone changes that have significant transportation impacts. In June 2006, LCDC adopted additional amendments to clarify the rule's purpose, improve the integration of land use and transportation plans in metropolitan areas, and provide better guidance on allowing goal exceptions for transportation facilities on rural lands.
- The department worked with two work groups regarding problems with statewide land use processes for approving aggregate mining on farmland. The department worked with the Aggregate/Agriculture Consensus Group appointed by the Governor to compile new data and explore alternative procedures for aggregate mining approvals. The department also worked with several other state agencies in another work group, studying methods to improve coordination among agencies involved in aggregate mine approvals.

Natural Hazards Planning

Oregon has a geologically active landscape. Development can be at risk from a variety of natural hazards, including floods, landslides, wildfires, earthquakes, coastal erosion and tsunamis. Oregon's basic policy addressing hazards through local land use planning is statewide planning Goal 7 (Areas Subject to Natural Hazards). Goal 7 requires local governments to adopt policies and ordinances that will protect people and property from identified hazards.

We work with cities and counties to help them identify and plan for all types of hazards. DLCD manages Oregon's National Flood Insurance Program through an agreement with the Federal Emergency Management Agency.

DLCD's coastal program has invested significant resources in assisting communities to identify and plan for coastal hazards such as tsunamis

and erosion of beaches and bluffs. In the wake of the Indian Ocean tsunami in 2004, staff is stepping up efforts to create awareness on the Oregon coast.

DLCD offers technical assistance to cities and counties to address natural hazards. The agency:

- Distributes information through workshops, speaking engagements, community visits and publication of a periodic newsletter: *The Natural Hazards Planner*;
- Reviews local plan amendments to see that they are consistent with state and federal hazard policies and regulations;
- Provides model ordinances to help cities and counties in their planning for natural hazards. Examples include the *Oregon Model Flood Damage Prevention Ordinance* and a technical resource guide for natural hazards planning;
- Works with other state agencies (DOGAMI, ODOF, Oregon Emergency Management, Building Codes, etc.) to promote natural hazard mitigation; and
- The department's Coastal Atlas is an increasingly important tool for displaying natural hazards information via the Internet.

Agency Collaboration

One of the most valuable products of services provided by the department is getting the programs and actions of cities, counties and state agencies to complement each other and work toward the same end. Coordination saves taxpayers millions of dollars by reducing conflict and waste in government.

DLCD coordinates among cities, counties, state and federal agencies in a variety of ways:

- DLCD is one of eight agencies in the Economic Revitalization Team (ERT). ERT coordinates state agencies in order to expedite grants, permits and projects for economic development in cities and counties throughout Oregon;
- Under state law (ORS 197.180) DLCD maintains 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
- Under the federal Coastal Zone Management Act, DLCD collaborates with coastal communities and federal agencies 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.

Public Information

The department works hard to inform Oregonians about the statewide planning program and to get them involved in it. Among state agencies, DLCD has one of the most intensive programs for citizen involvement.

Among the public information services provided are:

- Bulletins, staff reports, announcements and handbooks for local officials and stakeholders who need to keep informed about planning (most of which are on the website);
- The *Land Use News* email service, a free weekly digest of news reporting – mainly in Oregon – on land use planning issues;
- A new quarterly newsletter for local government;
- A comprehensive and up-to-date website within the “Oregon.gov” template;”
- Media contacts through news releases and interviews, and director visits with editorial boards;
- Responds to inquiries about planning from citizens; and
- Training in communications and media relations to DLCD’s staff.

Support to LCDC, CIAC and LOAC

DLCD supports a state commission and two permanent advisory committees, all of whom were established by the 1973 legislation that created Oregon’s planning program:

- Land Conservation and Development Commission (LCDC)
- Citizen Involvement Advisory Committee (CIAC)
- Local Officials Advisory Committee (LOAC)

Typically, LCDC meets every six weeks, while CIAC and LOAC meet less frequently. DLCD performs a variety of activities to support these meetings: mailing notices; recording minutes; preparing meeting materials and facilities; and video-streaming over the Internet.

Required Reporting

DLCD has significant responsibilities for collecting data and preparing statutorily mandated reports on several subjects. Some of this work involves one-time reports. Also, ORS 197.065 requires DLCD to collect from all 36 counties data on the division and development of farmland and forestland and to report its findings to the legislature. The resulting

document contains extensive data and information on development and permitting in farm and forest zones. These reports can be found on DLCD's website.

Landowner Notification

The landowner notification program (Measure 56, 1998) has the lead responsibility for ensuring that local jurisdictions are notified of new or amended rules or statutes and for reimbursing them for costs of providing notices as allowed under statute.

- DLCD notifies local jurisdictions of a new or amended administrative rule or statute that limits or prohibits uses previously allowed.
- Cities and counties provide individual written notice to landowners when a new or amended zoning ordinance is proposed that will limit or prohibit use of the landowner property.
- The state reimburses local governments for the notification costs under certain conditions.
- The department also pays for legal assistance from the Department of Justice to interpret the measure's wording.

From January 2004-January 2006, the department has:

- Coordinated and processed 15 reimbursement requests;
- Answered about 14 phone calls;
- Updated and distributed reimbursement forms and instructions to local jurisdictions;
- Updated and distributed information to local governments and the public about the measure and its requirements for the state, cities and counties;
- Maintained an electronic time-cost accounting system to track staff work hours on the measure's project; and
- Monitored accounts payable and made payments to jurisdictions.

Measure 37 Services

In November 2004, Oregon voters passed Ballot Measure 37 (ORS 197.352). The measure provides that the owner of private real property is entitled to receive just compensation when a land use regulation is enacted after the owner or a family member became the owner of the property if the regulation restricts the use of the property and reduces its fair market value. In lieu of compensation, the measure also provides that the government responsible for processing for the regulation may choose to "remove, modify or not apply" the regulation. DLCD is responsible for processing the majority of claims submitted to the state.

The department provides programs support, customer service and technical assistance to local governments and other state agencies

Oregon Task Force on Land Use Planning

The 2005 Legislature adopted SB 82, which established the Oregon Task Force on Land Use Planning, to study and make recommendations on (a) the effectiveness of Oregon's land use planning program in meeting current and future needs of Oregonians in all parts of the state; (b) the respective roles of state and local governments in land use planning; and (c) land use issues specific to areas inside and outside of urban growth boundaries and at the interface between areas inside and outside urban growth boundaries. The task force was appointed in 2006 by the Governor, the Senate President and the Speaker of the House. The department is charged in SB 82 to provide staff and budget support for the task force.

A.3. Performance Measures

Key Performance Measures

The Department of Administrative Services Performance Measure Review Committee found that all the performances measures for the department meet all criteria as specified in the Performance Measure Guidelines.

DLCD has proposed 19 performance measures (Links to Oregon Benchmarks, 2007-09), all but one pertains to the Planning and Administration budget unit (Appendix D-Key Performance Measure 15).

The October 2006 Annual Performance Progress Report (Appendix D) provides data for 2005. In 2005, DLCD made significant changes to its goals and performance measures in response to comments from the Joint Committee on Ways and Means. The agency simplified its goals and focused them on core issues relating to various land supplies and transportation issues.

DLCD proposes changing wording and data on two key performance measures, changing data for one key performance measure, and asks approval for targets on two measures. Key performance measures affected are: 2, 7, 9, 17, and 18.

New Measures

While the department does not propose any new measures at this time, it is open to continuing discussions with the legislature regarding other modifications and new performance measures, particularly those in the area of economic development.

Degree and Type of Agency Influence on Chosen Benchmarks

DLCD's strategic planning goals (Page 3 of this section) are linked to the following benchmarks: OBM 4: Job Growth, OBM 70: Commuting, OBM 72: Road Condition, OBM 74: Affordable Housing, OBM 77: Wetlands Preservation, OBM 80: Agricultural Lands, OBM 81: Forest Land, OBM 87: Native Fish and Wildlife.

DLCD plays a key role in facilitating local land development decisions that lead to job growth, affordable housing, convenient transportation systems, protection of agricultural and forest lands for commercial production, and protection of natural resources.

The statewide land use planning program is an essential component of state efforts to meet these benchmarks. Other important components

include government and private investment, tax structures and other state and federal regulations.

Performance Accomplishments

DLCD, through LCDC, has made significant progress in the past 24 months by:

- Fostering economic development through amending administrative rules;
- Streamlining urban growth policies by adopting new administrative rules;
- Expediting Periodic Review (in response to HB 3310, 2005) through amendments to administrative rules;
- Linking land use and transportation planning through rule amendments in March 2005 and June 2006;
- Reconciling aggregate and agriculture conflicts by participating in two work groups; and
- Promoting local farm produce by amending administrative rules.

In addition, DLCD has successfully accomplished the administration of most (98 percent) of the state's Measure 37 claims, issuing approximately 2,000 final orders all before the 180-day deadline.

The department has also supported the work of the Oregon Task Force on Land Use Planning, which is implementing The Big Look (SB 82, 2005). The Big Look is the 30-year review of the Oregon Statewide Planning Program.

The department has also made great strides during the past biennium along the coastal zone, including:

- Focusing on coastal resources;
- Improving local planning capacity;
- Enabling local economic development;
- Supporting ocean policy and protection;
- Promoting collaborative management at the mouth of the Columbia River;
- Protecting local and state interests in energy facility siting;
- Planning for coastal hazards; and
- Improving coastal information systems.

Future Challenges

Oregon's land use planning program faces primarily four challenges:

- Meeting the 180-day deadline on Measure 37 claims;

- New round of Periodic Review begins in 2007;
- Lack of financial resources at all levels of government to support needed planning capacity; and
- Continued support of The Big Look and Oregon Task Force on Land Use Planning.

A.4. Factors Affecting Services

- Measure 37 has created a heavy workload on department staff, with budget and service implications, and has affected land use programs at the local level;
- Diminished local revenues and correspondingly greater reliance on agency grants to support city and county plan updates, and other long-range planning activities;
- High volume of post-acknowledgment plan amendments submitted to the agency;
- Continuing high levels of development on the Oregon Coast and increasing risk to natural hazards, conflicts with existing land uses and harm to coastal resources;
- Vulnerability of coastal development to changing climate and weather regimes (e.g., El Niño and La Niña);
- Increasing “urbanism” on the Oregon Coast, the Willamette Valley, Central Oregon and the Bear Creek Valley that generates need for more urban planning and redevelopment expertise;
- Inadequate database capability to maintain and assist the flow of land use and planning information in the state; and
- Increasing demands on staff to coordinate frequently with local governments and other state agencies on a variety of planning and community development issues.

A.5. Involvement in Interagency and Intergovernmental Programs

- Economic Revitalization Team (ERT)
- Local Officials Advisory Committee (LOAC)
- Citizen Involvement Advisory Committee (CIAC)
- Regional Partnerships
- ODOT/DLCD Mineral and Aggregate Agreement
- National Floodplain Management Program
- Government-to-Government Program
- DLCD/ODOT Senior Staff Coordination
- DLCD/OECDD Senior Staff Coordination
- DLCD/ODOT Transportation and Growth Management Program
- National Coastal Zone Management Program
- Governor's Coastal Coordinating Council
- Governor's Willamette River Initiative Committee
- Oregon Plan for Salmon and Watersheds
- Northwest Area Network of Ocean Observing Systems (NANOOS)
- Lower Columbia Solutions Group
- Coastal States Organization
- Department of State Lands Wetlands Mitigation Bank Review Teams
- Local government technical advisory committees
- Regional problem solving project agency teams
- Metro Technical Advisory Committee

A.6. Revenue Sources

GENERAL FUND

FEDERAL FUNDS:

- **Federal Emergency Management Act (FEMA)**
Floodplain Program
- **Coastal Zone Management Act (CZMA)**
Coastal Program

OTHER FUNDS:

- **ODOT Federal Transportation Funds**
Transportation and Growth Management Program
- **Higher Education**
Coastal Atlas in Coastal Program

There are no fees associated with this budget unit.

A.7. Historical Expenditures and the Governor's Recommended Budget for the Planning & Administrative Budget Program Unit

	General Fund	Federal Funds	Other Funds	All Funds
2003-05 Actuals	\$6,406,125	\$3,420,952	\$746,449	\$10,573,526
2005-07 Estimates	\$9,111,588	\$4,162,131	\$753,805	\$14,027,524
2007-09 GRB	\$13,764,189	\$4,732,138	\$799,347	\$19,295,674

A.8. Program Growth or Reduction

State Funds vs. Federal Funds

Core program growth and reduction is primarily dependent on the availability of state General Funds. The agency's floodplain management and coastal programs are dependent on availability of Federal Funds from the Federal Emergency Management Administration and the National Oceanic and Atmospheric Administration. These funds are expected to stay at current levels pending congressional action. The Transportation and Growth Management program is dependent on federal transportation funds passed through the Oregon Department of Transportation.

Factors that drive program costs:

- Processing Measure 37 claims;
- Supporting The Big Look;
- Limits on local revenues;
- Increase in planning services to urban areas, requiring more detailed planning;
- Population and employment growth;
- ORS 197.299 (requires Metro to update its urban growth boundary at least every five years);
- Increasing cost of natural hazard avoidance and habitat protection;
- Travel expenses;
- Increases in personnel cost due to competition for salaries and increasing benefits costs; and
- Need to maintain and constantly upgrade IT resources due to industry advances and internal state lifecycle requirements.

Landowner Notification

The Landowner Notification program is a fairly new program (Dec. 3, 1998). Historically, DLCD services and reimbursements have stayed at about the same level due to the changing nature of land use policy and statutes. Many factors affect this program's costs. As a result of Measure 37 (2004), reimbursements for the 2003-05 and 2005-07 biennia were lower than previous biennia.

Local governments determine which landowners in their jurisdictions are affected by each change of law and mail copies of the required notice to those landowners. Reimbursement costs vary with the number of notices mailed by the local government and with the availability of local resources and local costs for creating the notice for mailing.

A.9. Essential Packages

Essential packages maintain department services at the present operating level.

Package 010, Non-PICS Personal Services Adjustments

A standard inflationary increase is applied for temporary appointments, overtime, unemployment insurance and other costs. This amount equals \$3,266. The vacancy factor decreased from the prior biennium, resulting in a net budget increase of \$31,137. The increase for the pension contribution amount is \$40,488; making the total package amount equal to \$76,773.

Package 021, Phase-In

This package requests \$67,207 to reflect the phase-in of a one-time Federal Funds services and supplies expenditure limitation reduction that was taken in 2005-07 Package 110: Flood Map Modernization. The agency was required to shift Federal Funds services and supplies expenditure limitation to personal services to cover costs associated with limited duration positions during the 2005-07 biennium. Because the expenditure limitation associated with limited duration positions has been automatically removed from the budget, the phase-in is necessary to restore the budget to essential budget level.

Package 022, Phase-Out & One-Time Costs

DLCD has several phase-out programs that were approved for 2007-09.

Measure 37 – This package removes \$426,209 General Fund spending authority for services and supplies costs related to Measure 37 activities approved for the 2005-07 biennium. The department requests 2007-09 funds for this purpose in Policy Package 101.

Flood Map Modernization – This package removes \$67,207 Federal Funds expenditure limitation for services and supplies costs related to FEMA Flood Map Modernization costs approved for the 2005-07 biennium. The department requests 2007-09 funds for this purpose in Policy Package 102.

30-Year Land Use Review – This package removes \$384,209 General Fund spending authority for services and supplies costs related to 30-Year Land Use Review activities approved for the 2005-07 biennium. The department requests 2007-09 funds for this purpose in Policy Package 103. Total for this package is \$810,851.

Package 030, Inflation/Price List Adjustments

This package includes standard inflation for most services and supply items, as well as price list adjustments related to State Government Service Charges. Total for this package is \$170,338.

Package 060, Technical Adjustments

This package reflects a technical adjustment to move General Fund expenditure limitation related to the Landowner Notification program, previously included as a stand-alone program unit (SCR 005-00-00-00000) to the Planning and Administration program unit (SCR 001-00-00-00000). This package will allow the agency to streamline its accounting and budget processes. It was approved by Budget and Management (BAM) and Legislative Fiscal Office (LFO). This package has a no fiscal impact result.

Package 070, Revenue Shortfalls

The 2005-07 Legislatively Adopted Budget anticipated receipt of Other Funds revenue from the Oregon University System. This revenue did not materialize during the 2005-07 biennium and was reflected in 2005-07 Estimates. The department further understands that it will not be available in 2007-09. Accordingly, the department is requesting to remove this expenditure limitation from its Modified Essential Budget level.

A.10. Governor's Proposed Budget Reductions

None.

A.11. Policy Packages

Package 101: Measure 37

Measure 37 is a voter-approved initiative which took effect Dec. 2, 2004. It created new responsibilities for the department. Codified now in ORS 197.352, Measure 37 permits claimants to file claims with the state for compensation, or waiver of land use regulation, related to loss of fair market value due to land use regulation. This policy package, or a revised version as may be necessary, would allow the department to meet the statutory deadline for processing claims under the measure.

[\$4,513,943 General Fund – 16 Positions – 16.0 FTE]

Package 102: Flood Hazard Map Modernization

This package will allow the department to receive federal funds and meet its obligations as a Cooperating Technical Partner under the Federal Emergency Management Act (FEMA) Flood Hazard Map Modernization Initiative. Tasks include: (A) Collect available data from communities during the map modernization pre-scoping phase and screen data against FEMA standards; (B) Build an accurate statewide floodplain database using best available information guided by Oregon's floodplain data exchange standard and state floodplain maintenance plan procedures; and (C) Review ordinances for communities that must adopt final digital flood insurance rate maps to remain in the National Flood Insurance Program. [\$386,318 General Fund – 3 Positions – 2.5 FTE]

Package 103: 30-Year Land Use Review

The 2005 Legislature approved Senate Bill 82, creating the Oregon Task Force on Land Use Planning. In appointing the Task Force in 2006, the Governor stated "Senate Bill 100 has served us well for the past 30 years, but we need to evaluate the system and make appropriate changes to meet our needs for the 21st Century." This package provides the staff and funding to support the Task Force's work in the 2007-09 biennium.

[\$1,166,787 General Fund – 3 Positions – 3.0 FTE]

A.12. Budget Notes from 2005

The Department of Environmental Quality, the Department of Geology and Mineral Industries, the Department of State Lands, the Department of Fish and Wildlife, the Department of Land Conservation and Development, and the Water Resources Department will work with the Office of Regulatory Streamlining on one or more projects to streamline

the delivery of water-related permitting programs and projects including water-related permitting associated with removal/fill projects and on permitting associated with aggregate mining activities.

Response

The identified agencies developed a proposal for a revised Oregon Removal-Fill permit processing system that would provide information about state requirements to applicants early in the process and would integrate most state requirements for some removal-fill projects in Oregon into one permit process. Through a memorandum of agreement, the agencies agreed to establish a pilot effort to implement the system for certain permit applicants. Legislation was proposed to implement the pilot. The identified agencies are completing a similar memorandum of agreement related to aggregate mining activities. The agreement would create a pilot effort to offer pre-application conferences with state agencies in order to receive coordinated state agency comments prior to filing an application with a local government, and would allow some local land use entities to obtain combined and coordinated state comments for aggregate mining applications.

Summary of Performance Measure Action

The Senate Subcommittee modified and approved the performance measures submitted by the agency and directed the agency to adopt two new measures: one related to the processing of Measure 37 claims and one relating to economic revitalization. In addition, the Senate Subcommittee requested that the Department evaluate alternatives for disaggregating data related to Performance Measures #1 and #3 and report to the Joint Legislative Audit Committee not later than August 2006.

The House Subcommittee on Education and Natural Resources also reviewed the agency's performance measures and approved measures identical to those approved by the Senate Subcommittee.

A.13. Audits

The Secretary of State's Audits Division regularly performs an audit or review when the executive head of a state agency leaves that position for any reason. Nan Evans was appointed interim Director of DLCD on Feb. 24, 2003, and resigned from that position effective Feb. 22, 2004. The Secretary of State performed an audit subsequent to Ms. Evans' separation. The audit was completed on Jan. 11, 2006

The purpose of this audit was to assure that appropriate actions were taken to cancel the above director's access to state systems, return any state assets in the director's possession, and assure that recent transactions authorized by her were reasonable and complied with applicable laws and regulations.

In addition, the Audits Division reviewed payroll and leave transactions prior to separation of employment, travel and other expense reimbursements prior to separation, and contracts approved and signed by the former director prior to separation of employment.