



Oregon

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TO: Land Conservation and Development Commission

FROM: Jim Rue, Acting Director
Teddy Leland, Administrative Services Division Manager

SUBJECT: **Agenda Item 8, May 10-11, 2012, LCDC Meeting**

DISCUSSION AND ACKNOWLEDGMENT OF THE DEPARTMENT'S 2013-15 AGENCY REQUEST BUDGET: POLICY PACKAGES

I. AGENDA ITEM SUMMARY

This item is intended to provide an opportunity for commission review and conceptual approval of the department's proposed 2013-15 Agency Request Budget proposed policy packages, otherwise known as policy option packages or POPs. Policy packages are requests for additional funding to the department's current service level (base) budget or expenditure authority to carry out new or revised programs. Agencies develop POPs for a variety of reasons, including: formation of new, or expansion of existing, programs; and implementation of federal or other new sources of funds for programs.

The POPs described below may be revised as the department continues participating in the Healthy Environments Outcome process. The total number and type of POPs may also change as a result of this process, including the evaluation by the Governor's Program Funding Team occurring for each outcome as a part of the new budgeting process for the state.

In some cases, POPs may undergo further minor refinements as they are prepared for submission to the state Department of Administrative Services (DAS), Budget and Management Division. Refinements may include data entry into the budget systems driving actual 'Other Payroll Expenses' for each position.

Final POP positions and dollar amounts are due to DAS, Budget and Management Division, by late June-mid July, pending timeline adjustments by DAS.

A. Type of Action

The department requests commission concurrence in the department's conceptual list of policy packages.

B. Staff Contact

If you have any questions about this report or the ideas described here, please contact Acting Director Jim Rue at (503) 373-0050 ext. 223, Jim.Rue@state.or.us or Administrative Services Division Manager Teddy Leland at (503) 373-0050, ext. 237, Teddy.Leland@state.or.us.

II. SUMMARY OF DEPARTMENT RECOMMENDATION

The department recommends the commission deliberate on the proposed POPs, provide advice to the department and grant conceptual consent to the department's submission of policy packages. In some cases, particular packages may undergo further minor refinements as they are prepared for submission to DAS.

III. PROPOSED POLICY PACKAGES

State agency POP final numbers, along with a budgetary audit, are due to the DAS Budget and Management Division approximately late June to mid July, pending timeline amendments by DAS. If proposed legislative concepts have fiscal implications, DAS also requires that the department's budget request for policy packages address the legislative concepts.

A. Funding Restoration

The department is proposing three related POPs under the single umbrella of Funding Restoration. Funding restoration means the department is requesting packages to restore funding for programs currently in the 2011-13 Legislatively Adopted Budget and lost in the 2013-15 budget because they were approved as limited duration programs or revenues for the program have decreased. The policy packages in this section enable the department to continue programs funded in the department's 2011-13 Legislatively Adopted Budget.

The first package requests restored funding for one position (1.00 FTE) to continue the federally funded RiskMap program (POP 101). The second package requests restored and additional funding for: one restored and two additional positions (3.00 FTE) to continue greenhouse gas emissions work required under HB 2001 (2009) and SB 1059 (2010) (POP 102). The third package requests a fully funded Transportation and Growth Management Program, and addresses an anticipated revenue shortfall from the Oregon Department of Transportation in support of this program (POP 103). Each of these POPs are described in further detail below.

Policy Package 101: Risk Map. This package proposes restoring a limited duration position established by the 2011 Legislature and funded in the department's Legislatively Approved Budget for the Federal Emergency Management Agency (FEMA) Risk Map Program.

The Risk Map program completes and expands upon the previous work started under the Map Modernization program. The program combines flood hazard map planning, risk assessment and mitigation planning into one seamless program. This program provides

critical assistance to local communities for tsunami planning. With the threat of sea level rise, communities like Seaside are finding critical infrastructure like schools, hospitals, police and fire departments are in potential flood zones. DLCD's role is to help local governments plan whether, when and where to move these critical building and infrastructures out of these areas. With current and anticipated budgetary reductions occurring at the local level, DLCD anticipates local planning departments' sole reliance on DLCD's expertise and staffing levels for this program will continue and likely increase. The Risk Map program and its Map Modernization predecessor have been legislatively approved for the past four biennia. The department anticipates 2013-15 federal funding will continue for this vital flood hazard, risk assessment and mitigation mapping program.

This package proposes restoring one limited duration position; providing limited personal services contracts; and position related supplies and services. If this package is denied, the RiskMap Program would not continue within the state of Oregon.

Total approximate cost for this package is \$250,000 Federal Fund, with associated position related supplies and services.

Policy Package 102: OSTI (Greenhouse Gas Emissions). This package addresses a task adopted by the 2009 and 2010 Legislature for the department and the Land Conservation and Development Commission (LCDC) to work together with Metro and the cities and counties in the Metro area to address greenhouse gas emissions.

This policy package continues the efforts begun under HB 2001 (2009) and SB 1059 (2010) by: developing how land use and transportation scenarios will be developed and selected by Metro and other local governments, and how the selected scenario will be implemented. This package proposes limited duration funding for continuing one, and adding two, limited duration professional positions and related supplies and services in the Planning Services Division. Full funding for these positions is under negotiation with the Oregon Department of Transportation and pending other policy decisions. Upon approval of this policy package, the Oregon Department of Transportation would fund this package through the establishment of an interagency agreement. If this package is denied, the OSTI program would not continue at the department.

Total approximate cost for this package is \$590,000 Other Funds, with associated position related supplies and services, pending additional negotiations.

Policy Package 103: TGM. This policy package requests a fully funded DLCD Transportation and Growth Management (TGM) Program. DLCD anticipates a potential revenue shortfall in personal services from the Oregon Department of Transportation in support of this program. This policy package request is for restoration of the funding for that shortfall by requesting ODOT to supply additional revenues to fully fund one current position (0.35 FTE). This package is currently proposed as Other Funds, pending negotiations with ODOT. If the negotiations do not provide additional Other Funds, the

department will be required to submit its proposal as General Fund. If this package is denied, the program would continue with decreased FTE and operational capacity.

Total approximate cost for this package is \$100,000 Other Funds, pending negotiations.

B. Sustainability Initiatives

The department is proposing four related policy packages under an umbrella titled Sustainability Initiatives. These policy packages are designed to position the department to play an active role in carrying out several policy objectives that are linked by the common theme of working with cities and counties (i.e. to provide stable and sustainable funding for the land use planning program and its stakeholders). The concept of sustainability encompasses a variety of facets, many of which are addressed or influenced by the statewide land use planning program. Additional information for each package is described below.

Policy Package 104: Grants to local governments. This package proposes restoring and increasing state planning grant funding for cities and counties. The proposed restoration addresses recent reductions the department has been required to take in its grants program. Proposed restoration would assist Oregon cities and counties update their land use plans to be ready for growth in jobs and housing and help them build and maintain livable, sustainable communities. In addition to the restoration of general fund grant dollars, the increase is proposed to additionally support the Columbia River Gorge Commission in its activities. Negotiation and determinations are underway between the two agencies on specific activities and funding levels.

Total approximate cost for this package is \$1.0 million General Fund, including funding to assist the Columbia River Gorge Commission.

Policy Package 105: Attorney General. This package proposes restoring funding for attorney general expenditures. The department has taken legislative and executive reductions in the last several biennia affecting many categories, including attorney general charges for Department of Justice legal services. The department's proposed package would restore funding to meet legal obligations including appeals, urban growth boundary reviews, etc.

Total approximate cost for this package is \$300,000 General Fund.

Policy Package 106: Information Management Modernization Initiative (IMMI). This package proposes additional funding to its base budget for a current department-wide information resources initiative. Package proposes funding to assist the department in modernizing its information infrastructure, including establishing one position (0.50 FTE) database administrator, developing a suite of data, tools and applications that better inform decision-making, assist local government land use planning activities, department staff and every Oregonian. The package includes collaborative efforts with other state agencies including DAS-Geospatial Enterprise Office, Oregon Department of

Transportation, and Oregon University System's Institute of Natural Resources and may include additional funding for information technology personnel.

Total approximate cost for this package is \$500,000 General Fund.

Policy Package 107: Regional Resource Land Protection. This POP proposes supplemental support for the department to assist the department and other state agencies' including the Department of Agriculture, the Department of Forestry, and the Water Resources Department in participation in the Regional Resource Land Pilot Program. The program also anticipates distribution of funds to three counties: Jackson, Josephine, and Douglas counties as authorized by an upcoming Governor's Executive Order.

The department received funding for regional land use planning activities through SB 5701 (2012) \$550,000 for 2011-13 activities. The department anticipates the Governor's Executive Order will clarify when and how these funds will be expended in implementing the pilot program. Continuing efforts of the program for 2013-15 are anticipated to be funded by this policy package.

Total approximate cost for this package is \$700,000 General Fund.

C. Other Agency and State Priorities

The remaining four POPs stem from the department's legislative concept development processes. If proposed legislative concepts have fiscal implications, DAS also requires that the department's budget request for policy packages address the legislative concepts. The department anticipates fiscal impacts for these two legislative concepts.

Policy Package 108: Urban Growth Boundaries Housing Need & Location (Legislative Concept funding placeholder). The urban growth boundaries legislative concept is part of a larger effort to explore ways to streamline statewide urban growth management policies as described to LCDC during its March 2012 meeting. This policy package placeholder anticipates funding needs and awaits further development of the legislative concept through a rules advisory committee to determine the full fiscal impact.

Policy Package 109: Urban Growth Boundaries Employment Land Supply (Legislative Concept funding placeholder). The urban growth boundaries legislative concept is part of a larger effort to explore ways to streamline statewide urban growth management policies as described to LCDC during its March 2012 meeting. This policy package placeholder anticipates funding needs and awaits further development of the legislative concept through a rules advisory committee to determine the full fiscal impact.

Policy Package 110: Urban Growth Boundaries Infrastructure Efficiency (Legislative Concept funding placeholder). The urban growth boundaries legislative concept is part of a larger effort to explore ways to streamline statewide urban growth management policies as described to LCDC during its March 2012 meeting. This policy

package placeholder anticipates funding needs and awaits further development of the legislative concept through a rules advisory committee to determine the full fiscal impact.

Policy Package 111: Population Forecasting (Legislative Concept funding placeholder). Legislative concept development is underway. The concept proposes changes in the current obligation of counties and cities to determine population forecasts and may substitute requirement for Portland State University (PSU) to perform the service for local governments. Policy package placeholder anticipates funding in support of the legislative concept. Total approximate cost for this package will be determined at a later date upon finalization of the legislative concept with the rulemaking advisory committee.

IV. DEPARTMENT RECOMMENDATION

The department recommends the commission acknowledge receipt of, and authorize the submittal of, the proposed list of conceptual policy packages described in Section III of this report to the Department of Administrative Services' Budget and Management (DAS/BAM) with the understanding the list will likely be amended and refined as the department continues its efforts with the Healthy Environments Outcome Group.

IV. ATTACHMENTS

- A. 2013-15 Agency Request Budget Proposed Policy Packages**

Attachment A

Department of Land Conservation and Development Proposal 2013-15 Agency Request Budget: Policy Packages (POPs)				
POP #	Title	Funding Type	Approx. Expenditure	Approx. POS/FTE
POP 101	Risk Map	Federal Fund	\$250,000	1/1.00
POP 102	OSTI (Greenhouse Gas Emissions)	Other Fund (TBD)	\$590,000	3/3.00
POP 103	TGM	Other Fund (TBD)	\$100,000	0/0.35
POP 104	Grants to Local Govt's	General Fund	\$1,000,000	0/0.00
POP 105	Attorney General	General Fund	\$300,000	0/0.00
POP 106	Information Management Modernization Initiative (IMMI)	General Fund	\$500,000	1/0.50
POP 107	Regional Resource Land Protection Legislative Concept Placeholder	General Fund	\$700,000	0/0.00
POP 108	UGB Housing Need & Location Legislative Concept Placeholder	General Fund	TBD	TBD
POP 109	UGB Employment Land Supply Legislative Concept Placeholder	General Fund	TBD	TBD
POP 110	UGB Infrastructure Efficiency Legislative Concept Placeholder	General Fund	TBD	TBD
POP 111	Population Forecasting Legislative Concept Placeholder	General Fund	TBD	TBD