



Oregon

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July 17, 2013

TO: Land Conservation and Development Commission

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

SUBJECT: **Agenda Item 4, July 25-26, 2013, LCDC Meeting**

2013-15 Budget

I. SUMMARY

At the time of this report the 2013 legislative session concluded on July 8, 2013. Several new land use laws have been enacted. The department's budget has been signed by the Governor and two of the four policy bills introduced on behalf of the department have also passed. This report briefly describes the impact of the passage of these measures.

For additional information regarding this item, please contact Jim Rue at 503-373-0050 ext. 223, or by email at jim.rue@state.or.us; or Teddy Leland at 503-373-0050 ext. 237, or by email at teddy.leland@state.or.us.

II. DEPARTMENT RECOMMENDATION

No action is necessary regarding this item.

III. OVERVIEW

As identified in LCDC Agenda Item #9, the Governor's Recommended Budget (GRB) for 2013-15 was presented in the context of a "ten year outlook," marking a significant departure from previous biennial budgets. The overall budget "was prepared with a long-term framework to guide it, built on strategic priorities and outcomes rather than existing programs, and it aims to achieve ambitious goals over the next decade." The Governor's budget emphasizes and is built around five "cross-cutting priorities that Oregonians have identified as critical to securing a prosperous future" concerning Education, Jobs and Innovation, Healthy People, Safety, and Healthy Environment. For each of these "priorities," the budget establishes 10-Year Goals, Strategies & Metrics.

The department's core program is carried by Senate Bill 5530 and linked to the Governor's Healthy Environment priority. This measure includes funding for staff that manage periodic review and technical assistance grants and plan amendments, and provide critical "hands on"

technical assistance to smaller cities and counties. The measure also provides for tasks managed by the Ocean and Coastal Management (OCZMA), Federal Emergency Management Act (FEMA), and the Transportation and Growth Management (TGM) programs.

The 2013-15 core program budget bill (Senate Bill 5530) funds the continuance of 2011-13 staffing levels and additional capacity for six key activities within the department. They are:

- Natural Hazards Mapping
- Oregon Sustainable Transportation Initiative (OSTI)
- Information Management Modernization Initiative (IMMI)
- Attorney General
- Regional Resource Lands
- University of California San Diego Sea Level Data

In addition to SB 5530, two of four legislative concepts have been funded. They are:

- House Bill 2253: Population Forecasting
- House Bill 2254: Urban Growth Management Reform

Other legislative measures impacting the department budget include:

- HB 3098: Youth Camps
- SB 5008: End of Session bill

Attachment A to this report provides specific details on the passage of the budget bills affecting the department.

A final action of the legislature includes approval to delete seven of 20 department Key Performance Measures. A list of affected performance measures is found in Attachment A. The department continues meeting its 100% target and has for the last ten years; thereby allowing the legislature to approve the Legislative Fiscal Office's recommendation for deletion and retaining of measures as internal key performance measures. Retaining the measures internally means the department will continue tracking the information, but not be required to report the results on the Annual Performance Progress Report (APPR).

IV. ATTACHMENTS

A. DLCD 2013-15 Legislatively Adopted Budget



Department of Land Conservation and Development

2013-15 Legislatively Adopted Budget (SB 5530, HB 2253, HB 2254, HB 3098, HB 5008)

(Numbers not audited by Department of Administrative Services)

| | 2011-13 Legislatively Adopted Budget | 2013-15 Legislatively Adopted Budget |
|-----------------------------------|--------------------------------------|--------------------------------------|
| General Fund | \$10,885,017 | \$12,330,059 |
| Other Funds | 1,457,573 | 947,584 |
| Federal Funds | 5,857,281 | 5,891,950 |
| Total Funds | \$18,199,281 | \$19,169,593 |
| Full-Time Equivalent (FTE) | 55.46 | 58.06 |

2013-15 Significant Changes

Reductions in Staffing: - \$0.07 million GF (-0.30 FTE)

Planning Services Division decreased funding for Transportation & Growth Management Program.

Reductions in Grant Funds: - \$0.4 million GF in base program

SB 5530 reduces 2011-13 General Fund Grant Program funding levels by \$405,090 in base program. Additional dedicated funds of \$250,000 were provided for population forecasting HB 2253. Total funding levels determined from SB 5530, packages 090 and 810; HB 5008 Sec 77 and HB 5008 Sec 96. Total Legislatively Adopted General Fund Grant Program, with some dedicated sourcing, is approximately \$1.5 million.

Budget Notes:

1) As provided in SB 5530, the Department of Land Conservation and Development is directed to work with the Department of Administrative Services (DAS) in the development of a plan for implementing business and technology improvements to its existing business processes, databases, and applications as identified in the "scope of work" defined in DLCD's Information Management Modernization Initiative (IMMI) Strategic Action Plan 2012-2017. DLCD and DAS are directed to provide the Legislative Fiscal Office (LFO) by February 1, 2014, with final copies of all foundational project management documentation; a project work plan and budget; and a current project status report showing progress against original goals and objectives. DLCD is further directed to provide a report to the Joint Committee on Ways and Means during February 2014 legislative session on the status of the IMMI.

2) As provided in SB 5530, the Department of Land Conservation and Development shall work with interested parties to develop recommendations for improving the processes through which local governments develop post-acknowledgment plan amendments under ORS 197.610 through 197.625. The issues to be addressed shall include, but will not be limited to: public notice of post-acknowledgment plan amendments, public review of amendments and changes to these amendments, conduct of hearings on legislative land use decisions, including applicable criteria.

HB 2253: Population Forecasting \$250,000 GF, Effective on passage.

Measure requires the Population Forecasting Center at Portland State University (PSU) to produce population forecasts for all cities and counties, under a continuing four-year cycle. The legislation removes the current statutory obligation for counties to issue and coordinate population forecasts, and instead specify that the PSU forecast must be used by individual cities and counties for land use planning purposes. The legislation provides that adoption of the PSU forecast is not a "land use decision" subject to appeal.

HB 2254: Urban Growth Management Reform \$250,000 GF, Effective on passage

Measure provides a simpler, more cost effective way for cities to amend urban growth boundaries (UGBs). This legislation authorizes (not requires) cities to use a new, straightforward UGB evaluation method based primarily on population forecasts and a simplified land inventory process. For small cities, the method would be available once every ten years. Larger cities would need to evaluate UGBs more frequently, depending on growth rate. This concept replaces the traditional "20-year UGB land supply" with a focus on a serviced or serviceable land available over a shorter time period.

HB 3098: Youth Camps \$50,000 GF, Effective on passage

Measure authorizes a youth camp(s) only on a lawfully established unit of land, as defined in ORS 92.010, of at least 1000 acres zoned for exclusive farm use. Directs LCDC to develop rules based on statutory authorization for youth camps in forest zones and to guide the approval and siting process for youth camps in EFU zones.

HB 5008: End of Session Bill (EOS) \$-165,257 AF, Effective on passage

Measure provides additional adjustments to the department's main budget bill. Adjustments include: adding \$80,000 General Fund to Columbia River Gorge Commission for continuation of urban planning work; adding \$116,000 General Fund for Southern Oregon Regional Pilot Program; a 5% all funds reduction to the main budget bill for central service assessments charged to state agencies and a statewide requirement to reduce non-essential supplies and services; and a 2% General Fund holdback across all expenditure categories. The holdback may be potentially restored to agencies pending statewide economic conditions.

Senate Bill 5530, Policy Packages

070: -\$448,075 OF (-0.30 FTE) Revenue Shortfall

Reduces Other Funds reflecting revenue shortfall from Oregon Dept. of Transportation for Transportation & Growth Management Program. Also reflects decrease in limitation for the Soils Program as a result of increased efficiency in Soils Program processes.

091: -\$90,061 AF (-0.00 FTE) Statewide Administrative Savings

A statewide placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement. Package reflects our portion of the 5% savings requested for this effort. Department of Administrative Services will continue to work on details of reductions and report back to 2014 legislative session.

091/092: -\$279,096 AF (-0.00 FTE) PERS Adjustments

Reduces all funds to reflect SB 822 changes in PERS taxation and PERS benefits.

101: +\$249,231 FF (+1.00 FTE PF)/+\$179,363 OF (+1.00 FTE LD) Natural Hazards Mapping

The Federal Emergency Management Agency (FEMA) has instituted an ongoing program: Risk Mapping and Assessment (RiskMap). Program provides resources for local communities to identify natural hazards. Office of Emergency Management is providing funding for an Other Fund position taking on a new department role of coordinator steward of state-level hazard mitigation planning.

102: +\$319,414 GF (+1.50 FTE LD)/ +\$174,240 OF (+1.00 FTE LD) OSTI

Provides General and Other Funds reflecting completion of HB 2001 (2009) with ODOT and Metro and local governments in the Metro area to continue work on greenhouse gas emissions reduction from transportation. Package proposes limited duration funding from the Oregon Department of Transportation.

105: +\$50,000 GF (+0.00 FTE) Attorney General

Increases funding for Department of Justice legal review of land use planning items commensurate with the needs and legislative expectations of the statewide land use planning program.

106: +\$238,934 GF (+0.50 FTE LD) Information Management Modernization Initiative (IMMI)

Funds interconnected projects of the department's transformation initiative called: Information Management Modernization Initiative (IMMI). Results of project will yield accessible, reliable information resources supporting the department's goal of fostering prosperous, sustainable, and desirable places in collaboration with governments, businesses, and citizens.

107: +\$230,000 GF (+0.00 FTE) Regional Resource Lands

Increases General Funds reflecting implementation of Executive Order 12-07 directing department and other state agencies to collaborate with three Southern Oregon counties for regional resource lands protection.

810: -1,234,780 AF (+0.00 FTE) LFO Adjustments

Reductions relate to one-time \$550,000 General Fund for regional planning (removing carry over from 2011-13 base budget); \$129,500 in Federal Funds related to sequestration; and \$555,280 in ODOT funding streamlining the funding of the Transportation and Growth Management Program.

811: +\$350,000 OF (+0.00 FTE) University California San Diego (UCSD) Sea Level Data

Provides limitation for the department to receive sub-award grant from the Scripps Institution of Oceanography and the University of California San Diego Supercomputer Center. DLCD will assist effort to produce a data portal to convert NASA data on sea level changes to a more useable format for local planners.

Key Performance Measures: effective July 1, 2013 (for Fiscal Year 2014 reporting)

Deleted

KPM #7: ERT

Deleted and made internal

KPM 8: Coastal Development Zoning

KPM 9: Natural Resource Inventories

KPM 13: Periodic Review Remands

KPM 14: Timely Comments

KPM 16: Land Use Appeals

KPM 18: Task Review

KPM 19: Measure 49