



MEMORANDUM

TO: Interested Parties

FROM: Jim Rue, Director

CC: Kirstin Greene, Deputy Director
Carol Bovett, Administrative Services Manager
Palmer Mason, Senior Policy Advisor

DATE: May 12, 2020

RE: Budget Exercise Update

We are living in unprecedented times. In conjunction with the [Governor's press release statement](#) released yesterday, May 11, regarding the state budget and the upcoming May revenue forecast, we are providing an important update regarding the budget exercise that Chief Financial Officer George Naughton and Kate Nass from the Department of Administrative Services (DAS) asked DLCD to complete. This exercise was due to DAS Friday, May 8.

DAS asked each state agency to identify 8.5% budget reductions in response to the anticipated impact on Oregon businesses and workers from COVID-19, and the corresponding significant drop in state revenue from the recent economic downturn.

To comply with the DAS request for this budget exercise, DLCD has used a lens of preserving our statutory mission of upholding the state land use planning framework aligned with Gubernatorial and Legislative priorities in support of local government efforts to plan for natural resources and community development.

We have proposed the following reductions, which include savings in our primary appropriation (81000) by reducing or eliminating eight positions, three of which are or will be vacant by July 1. If these reductions are needed, DLCD will see an over 10% reduction in our overall staffing levels. Clearly these will make our work to deliver on our statutory mission much more difficult. We will know more in discussions with the Governor's office after the May 20 revenue forecast. At that time, we expect to have a better sense of whether the state would need to make this level of reductions.



Reductions to General Fund Appropriations

DLCD chose to propose cuts to the following based on less demand for funds than anticipated:

	Total Appropriation	Cut
HB 2001 (2019) Assistance Grants	\$ 3,500,000	\$ (1,150,000)

DLCD was required to propose 8.5% reductions to each of the following programs/appropriations:

	Total Appropriation	8.5% Required Cut
DLCD Planning Programs	\$ 11,887,282	\$ (1,010,419)
Shellfish Maritime Project	\$ 200,000	\$ (17,000)
Housing Project Operations	\$ 2,005,563	\$ (170,473)
Technical Assistance Grants	\$ 1,638,830	\$ (139,301)
HB 2003 Housing Grants	\$ 1,000,000	\$ (85,000.00)

We appreciate your interest and support of our work. Please send any questions or concerns to dlcd.info@state.or.us. Thank you.