

**75<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5531-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Jenson  
Carrier – Senate: Sen. Walker**

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**Action:** Do Pass as Amended and Be Printed A-Engrossed

**Vote:** 16 – 4 – 2

- House – Yeas: Buckley, Galizio, Garrard, Komp, Kotek, Nathanson, Richardson, Shields, G. Smith
- Nays: Gilman
- Exc: D. Edwards, Jenson
- Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Verger, Walker
- Nays: Nelson, Whitsett, Winters
- Exc:

**Prepared By:** Satish Upadhyay, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** June 2, 2009

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**Agency**

Department of Land Conservation and Development

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**Biennium**

2009-11

## **Budget Summary\***

	<b>2007-09 Legislatively Approved Budget (1)</b>	<b>2009-11 Essential Budget Level</b>	<b>2009-11 Committee Recommendation</b>	<b>Committee Change from 2007-09 Leg. Approved</b>	
				<b>\$\$ Change</b>	<b>% Change</b>
General Fund	\$ 21,641,468	\$ 16,179,286	\$ 17,716,933	\$ -3,924,535	-18.1%
Other Funds	\$ 861,793	\$ 819,845	\$ 895,095	\$ 33,302	3.9%
Federal Funds	\$ 6,559,044	\$ 6,440,348	\$ 6,808,291	\$ 249,247	3.8%
Total	\$ 29,062,305	\$ 23,439,348	\$ 25,420,319	\$ -3,641,986	-12.5%

## **Position Summary**

Authorized Positions	97	60	90	7
Full-time Equivalent (FTE) positions	85.54	57.71	74.81	-10.73

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The budget for the Department of Land Conservation and Development (DLCD) is supported by General Fund, Other Funds, and Federal Funds. General Fund supports land use program activities and grants to local governments. The agency receives Other Funds for specific activities or functions such as compliance review and transportation growth management activities. Federal Funds are received from the National Oceanic and Atmospheric Administration (NOAA) for coastal zone management activities and the Federal Emergency Management Agency (FEMA) for floodplain management activities. The Subcommittee also approved Senate Bill 5532 which ratifies two fees increased under administrative rule by the agency during the 2007-09 interim.

## **Summary of Natural Resources Subcommittee Action**

The Department is the administrative arm of the Land Conservation and Development Commission (LCDC). DLCD staff assists the Commission in adopting standard land use goals, ensuring compliance of local land use plans with the statewide goals, coordinating state and local planning, and managing the coastal zone program. The Subcommittee approved a budget of \$25,420,319 total funds and 90 positions (74.81 full-time equivalent). This is a 12.5 percent decrease from the 2007-09 legislatively approved budget.

## **Planning Program**

Planning program components include periodic review, technical assistance, support to the Land Conservation and Development Commission, coastal zone management, transportation growth management, landowner notifications and all other planning activities, except for grants. The Subcommittee approved a budget of \$23,123,509 total funds and 90 positions (74.81 full-time equivalent).

The Subcommittee approved Package 105 FEMA Map Modernization. The package provides \$299,730 Federal Funds to enable the agency to continue the federal Flood Hazard Map Modernization Initiative, which is a national program to digitize and update flood insurance rate maps. The agency, in its capacity as Oregon's floodplain management agency, works with the Federal Emergency Management Agency (FEMA) to provide flood hazard information to support local land use and development decisions. The package also supports the continuation of two full-time, limited duration positions (1.25 full-time equivalent) to work on the project.

Package 107 Measure 49 was approved. The package adds \$5,273,504 General Fund, \$75,250 Other Funds, 27 limited duration positions (14.38 full-time equivalent), and one permanent, full-time Principal Executive Manager D position (Compensation and Conservation Ombudsman; 1.00 full-time equivalent) to allow the agency to complete resolution of claims filed under Measures 37/49. The level of funding supports the program as expected to be modified by House Bill 3225 (2009). That legislation adds about 500 claims and a \$175 fee for processing those claims, allows the agency to prioritize claims based on hardship criteria, requires DLCD to investigate certain claims, and establishes a June 30, 2010 deadline for the issuance of most final orders.

The Subcommittee approved Package 108 Ocean and Coastal Reconciliation. The package provides \$68,213 Federal Funds and adds 0.47 full-time equivalent to bring an existing permanent, part-time Planner 2 position up to full-time. This additional capacity will allow the agency to meet workload needs, streamline permit approvals, and provide timely and accurate service to permit applicants, local governments, and state and federal agencies.

The Subcommittee approved Package 810 Program Reductions. The package makes a reduction of \$3,144,015 General Fund for Attorney General expenditures related to Measure 49 based on a review of recent spending patterns. It also makes a reduction of \$91,842 General Fund for reimbursing local governments for costs associated with sending out notices under the landowner notification program.

### Grant Program

The Grant program provides General Fund grants to cities and counties to help with comprehensive plan development, plan amendments, and periodic review. The Subcommittee approved a budget of \$2,296,810 General Fund.

The Subcommittee approved Package 810 Program Reductions. The package makes a reduction of \$500,000 General Fund in grants to local governments to implement the Co-Chairs' budget plan.

The Subcommittee discussed the importance of the local grant program and directed the agency to make sure grants are allocated as quickly as possible in 2009-11.

The Subcommittee also expressed concern regarding the agency's ability to manage and pay for what appears to be a significant policy workload during 2009-11; more than a dozen bills related to land use planning are making their way through the legislative process.

The Commission's historical practice has been to adopt a policy and rulemaking agenda at the beginning of each biennium. To develop the agenda, LCDC considers recent legislation and other commission/program priorities, along with available budget and personnel resources. Since those resources are finite, the process usually leaves some items on a "waiting" list for a future biennium or funding opportunity.

To address these concerns and to make sure the Legislature clearly understands what the Commission plans to undertake during 2009-11, the Subcommittee adopted the following budget note:

**Budget Note**

The Department of Land Conservation and Development shall report on the Commission's policy agenda to a legislative committee no later than March 1, 2010. Depending on timing and interim activities, the report could be received by either a Joint Committee on Ways and Means or the Emergency Board.

The report should cover the status of existing programs and all agency-related legislation from the 2009 session. Status reporting should include agency work plans, resources allocated, and potential impacts on local governments.

**Summary of Performance Measure Action**

See attached Legislatively Adopted 2009-11 Key Performance Measures form.