
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: *Natural Resources Subcommittee*

From: *Susie Jordan, Legislative Fiscal Office*
(503) 986-1835

Date: *April 22, 2013*

Subject: *HB 2253 relating to Population Forecasts for Land Use Planning*
Public Hearing

HB 2253 requires Portland State University Population Research Center (Center) to issue population forecasts for land use planning that are currently produced by counties. The measure requires the Center to issue population forecasts for every county not less than once every four years on schedule established by rule of State Board of Higher Education adopted in consultation with Department of Land Conservation and Development (DLCD). Requires DLCD to adopt rules for transitioning existing population forecasting process to new forecasting process required by Act. The measure declares an emergency and becomes effective July 1, 2014.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, revenue impact statement [if available], and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had a work session in the Land Use Committee on April 9, 2013 and was referred to the Joint Committee on Ways and Means with a unanimous "do pass" recommendation.

The measure has a \$ 440,716 General Funds fiscal impact for the 2013-15 biennium. DLCD will issue grant funds to PSU to support the issuance costs of the forecasts. The grant funds issued by DLCD equate to an appropriation of \$440,716 General Fund (GF) per biennium for the department. The Governor's Recommended Budget included \$250,000 GF in Policy Option Package (POP) #108 to offset costs for the grant.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Joint Ways and Means
Vote:	6 - 0 - 1
Yeas:	Davis, Frederick, Holvey, Thatcher, Unger, Clem
Nays:	0
Exc.:	Cameron
Prepared By:	Lynn Beaton, Administrator
Meeting Dates:	3/7, 4/4, 4/9

WHAT THE MEASURE DOES: Requires Portland State University Population Research Center (Center) to issue population forecasts for all Oregon counties, except for portions of Multnomah, Clackamas and Washington counties that are within Metro, to be used for land use planning. Requires Center issue population forecasts for every county not less than once every four years on schedule established by rule of State Board of Higher Education adopted in consultation with Department of Land Conservation and Development (DLCD). Dictates requirements of notice that Center must issue to affected local governments and members of public when gathering data and before issuing final forecasts. Specifies process for local government and members of public to file objections with Center concerning forecasts. Allows DLCD periodically to require Center submit forecasting methodology and data collection practices for review by advisory committee. Clarifies that issuance of final population forecast is not land use decision. Requires Land Conservation and Development Commission (LCDC) to allocate from grant funding an amount sufficient to operate forecasting program. Requires Center to issue first complete set of population forecasts within four years after effective date of Act and then phase in production of all required forecasts. Allows local governments which initiated periodic review or other legislative review of comprehensive plan on or before date Center issues related final population forecast to continue review under population forecast satisfying previous statutes. Requires DLCD adopt rules for transitioning existing population forecasting process to new forecasting process required by Act. Declares emergency, effective July 1, 2013.

ISSUES DISCUSSED:

- Methods for completing populations forecasts
- Role of Portland State University’s Population Research Center
- Population forecasts and expansion of urban growth boundaries

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Current Oregon statute requires each county to establish and maintain a population forecast for use in maintaining and updating comprehensive plans, and requires each county to coordinate the forecast with the local governments within county boundaries. However, many counties have either not adopted a coordinated population forecast or have not provided timely updates. Current trends indicate that there are growing numbers of cities that find it necessary to begin a UGB update as land supplies diminish, requiring fresh forecasts.

In 2011, a group of stakeholders was convened to explore legislative concepts that would resolve the longstanding problems with population forecasting. The effort was facilitated by Portland State University (PSU), which gathered information and ideas, conducted research, and developed a concept framework. The stakeholder group recommended reassigning forecasting responsibilities from counties to a neutral third party, the Population Research Center (Center) at PSU. The Center would provide fresh 50-year forecasts to cities every four years—incorporating new policy changes or decisions that may support population growth and would affect a city’s forecast. House Bill 2253 A would require a localized process, with multiple opportunities for input from cities, counties and citizens, and provide flexibility for cities to decide when they should begin to use the new forecasts. Complex areas, such as shared urban growth boundaries or cities that include portions of more than one county, will be forecasted at the same time.

4/25/2013 3:55:00 PM

This summary has not been adopted or officially endorsed by action of the committee.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2253 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Susie Jordan, Paul Siebert
Date: 4/15/2013

Measure Description:

Requires Portland State University Population Research Center to issue population forecasts for land use planning that are currently produced by counties.

Government Unit(s) Affected:

Department of Land Conservation and Development, Counties, Cities, Oregon University System (OUS)

Summary of Expenditure Impact: Department of Land Conservation and Development

Summary of Expenditure Impact

	2013-15 Biennium	2015-17 Biennium
General Fund	\$440,716	\$472,655
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$440,716	\$472,655

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

This bill would move responsibility for population forecasts for some Oregon cities and counties, currently paid for by cities and counties, to the Population Research Center at Portland State University (PSU). Oregon University System, specifically Portland State University Population Research Center (PSU PRC), would need to hire two positions (2.00 FTE) for \$325,044 Other Funds (OF) in the 2013-15 biennium and two positions (2.00 FTE) for \$347,154 OF in 2015-17. Additionally, PSU PRC will incur service and supply expense in the form of office supplies and travel expense, estimated to be \$115,672 OF in the 2013-15 biennium and \$125,501 OF in 2015-17. PSU will receive a grant through the Department of Land Conservation and Development (DLCD) local grant program. The measure places the grant to PSU as the highest priority grant insuring funding for the forecasting work.

DLCD will issue grant funds to PSU to support the issuance costs of the forecasts. The grant funds issued by DLCD equate to an appropriation of \$440,716 General Fund (GF) per biennium for the department. The Governor's Recommended Budget included \$250,000 GF in Policy Option Package (POP) #108 to offset costs for the grant.

Legislative Fiscal Office (LFO) assumes that the remaining revenue needed to cover PSU PRC's expenditures will be drawn from the local planning grant(s) fund. This will mean a reduction in the fund by \$190,716 in the 2013-15 biennium and \$222,655 in 2015-17. LFO notes that the Governor's Recommended Budget scaled back funding for local planning grants by \$655,090 per biennium. The current service level (CSL) for local planning grants is \$1,637,725; if the Governor's Budget and HB 2253 are approved the total amount available for local planning grants will be \$791,919 in the 2013-15

biennium and \$759,980 in 2015-17 for 256 cities and 36 counties. This represents a 52% reduction in the 2013-15 biennium and 54% reduction from CSL in 2015-17.

Cities and counties do not report any fiscal impact. Some cities and counties may incur savings from the implementation of this bill if they were not awarded technical assistance grants for the purpose of generating population forecasts. Calculations are based on an effective date on July 1, 2013.