

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5530-A

Carrier – House: Rep. Unger

Carrier – Senate: Sen. Edwards

JOINT COMMITTEE ON WAYS AND MEANS

Action: Do Pass as Amended and be Printed A-Engrossed

Vote: 25 – 0 – 1

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Williamson

Nays:

Exc: Tomei

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Susie Jordan, Legislative Fiscal Office

Meeting Date: June 12, 2013

Agency

Department of Land Conservation and Development

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 11,132,225	\$ 12,274,466	\$ 11,929,799	\$ 797,574	7.2%
Other Funds	\$ 1,457,573	\$ 1,278,787	\$ 948,065	\$ (509,508)	-35.0%
Federal Funds	\$ 6,117,281	\$ 5,897,527	\$ 5,906,986	\$ (210,295)	-3.4%
Total	\$ 18,707,079	\$ 19,450,780	\$ 18,784,850	\$ 77,771	0.4%

Position Summary

Authorized Positions	57	55	61	-4
Full-time Equivalent (FTE) positions	55.11	53.46	58.06	-2.95

⁽¹⁾ Includes adjustments through December 2012

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. Revenues from NOAA will decrease due to the federal sequestration by \$0.13 million.

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 goals, coordinating state and local planning, and

managing the coastal zone program. Oregon's land use planning system is based on a set of 19 statewide goals that express the state's policies on land use and related topics such as citizen involvement, housing, and natural resources.

The Subcommittee approved a total funds budget of \$18,784,850 and 58.06 FTE. This is a four percent increase from the 2011-13 Legislatively Approved Budget through December 2012. The budget includes \$11,929,799 General Fund, \$948,065 Other Funds, and \$5,906,986 Federal Funds. The budget maintains the level of planning services, continues hazard mapping, regional planning and greenhouse gas planning projects, and adds funding for the first phase of an information technology project intended to improve data sharing with local planners. Local grants are reduced.

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 \$17,552,215 million total funds and 61 positions (58.06 FTE).

The Subcommittee on Natural Resources recommended to the Joint Committee on Ways and Means that the Department of Land Conservation and Development work with interested parties to develop recommendations for improving the processes through which local governments develop post-acknowledgement 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-acknowledgement plan amendments, public review of amendments and changes to these amendments, conduct of hearings on legislative land use decisions, including applicable criteria.

The Subcommittee recommended package 070: Revenue Shortfalls. This package reduces expenditures for transportation growth management work by \$448,085 total funds and 0.30 FTE to align the budget with expected revenues from the Oregon Department of Transportation.

Package 081: May 2012 E-Board was approved; this package adjusts the reduction approved during the 2012 legislative session by shifting the reduction from personal services to services and supplies. The total funds impact is zero.

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101: Natural Hazards Mapping was approved. This package provides \$428,594 total funds and two positions (2.00 FTE). It makes permanent a position that has existed for four biennia to help communities plan for natural hazards mitigation. Federal funding has changed from specific annual appropriations to part of the National Flood Insurance Program, making the funding of a permanent position possible. The package also adds a limited duration position to update and coordinate the Oregon Natural Hazard Mitigation plan funded by the Office of Emergency Management.

The Subcommittee recommended package 102: OSTI (Gas Emissions). This package provides \$493,654 total funds and three positions (2.42 FTE) to support the Oregon Sustainable Transportation Initiative efforts at transportation planning. The package restores one Planner 4 (0.50) and adds two Planner 3s (1.92 FTE). The two Planner 3 positions are assumed to start a month into the biennium. The Planner 4 and one of the Planner 3 positions are funded with General Fund; the remaining Planner 3 is funded through a revenue transfer from the Oregon Department of Transportation.

Package 105: Attorney General Restoration was approved. This package provides \$50,000 total funds to align current expenditures with expected 2013-15 biennium legal review costs to address standard local land use planning activities. This amount is a 15 percent increase from CSL and will fund about 299 additional hours of assistant attorney general services. This package is not related to Measure 49.

The Subcommittee recommended package 106: Information Management Modernization. This package provides \$238,934 total funds and one limited duration position (0.48 FTE) for the first phase of an information technology project that would improve the agency's ability to acquire, develop and share information for land use planning in collaboration with local governments. The project includes modernizing document management, digital land use planning, workflow automation, database migration and integration, and database management/administration. When complete the project is expected to cost over \$1 million. Phase 1 will involve critical database development and management. The position is expected to start a month into the biennium. The following budget note relates to this package.

Budget Note:

The Department of Land Conservation and Development (DLCD) 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, tools, 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 the February 2014 legislative session on the status of IMMI.

Package 107: Regional Resource Land Protection was approved. This package provides \$230,000 General Fund to complete the regional resource land use activities authorized by the February 2012 Legislature and Executive Order 12-07. This package represents tasks intended to be completed during the 2011-13 biennium that will need to be carried over into the 2013-15 biennium and includes resources required by DLCD to provide any technical assistance. The Department of Administrative Services unscheduled \$235,000 General Fund for this program on May 29, 2013 to ensure these funds will not be spent in the 2011-13 biennium.

The Subcommittee recommended package 810: LFO Analyst Adjustments. This package reduces total fund expenditures by \$1,234,780, including elimination of one-time \$550,000 General Fund support for regional planning, reduction of \$129,500 Federal Funds to the Oregon Coastal Management program, and a technical adjustment which reduces \$555,280 Other Funds the Transportation Growth Management program. The change to the Transportation Growth Management program streamlines a complicated method of budgeting and has no substantive effect.

Package 811: UCSD Sea Level Data Funding was approved. This package provides \$350,000 Other Funds for a sub-grant from the Scripps Institution of Oceanography and the University of California San Diego (UCSD) Supercomputer Center. The California institutions applied to the National Aeronautics and Space Administration (NASA) for a grant to produce a data portal to convert NASA data on sea level changes to a more useable form for local planners. No match is required and no new positions are needed. It is expected that the Department of Administrative Services will unscheduled the expenditure limitation until the grant funds are received by the agency.

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 \$1,232,635 total funds. This program is entirely General Fund and has no FTE.

Package 090: Analyst Adjustments was approved; it reduces local planning grants by \$655,090 General Fund. This package is a 40 percent reduction from the 2013-15 Current Service Level, a 76 percent reduction from the 2011-13 Legislatively Approved Budget, and a 53 reduction from 2009-11 biennium actual expenditures.

The Subcommittee recommended package 810: LFO Analyst Adjustments. This package adds \$250,000 General Fund for grants to local governments, half of which will go to counties and the other half to cities.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Land Conservation and Development
 Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 11,132,225	\$ 0	\$ 1,457,573	\$ 0	\$ 6,117,281	\$ 0	\$ 18,707,079	57	55.11
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 12,274,466	\$ 0	\$ 1,278,787	\$ 0	\$ 5,897,527	\$ 0	\$ 19,450,780	55	53.46
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
001 - Planning Program									
Package 070: Revenue Shortfalls									
Personal Services	\$ (10)	\$ 0	\$ (67,778)	\$ 0	\$ 0	\$ 0	\$ (67,788)	0	(0.30)
Services and Supplies	\$ 0	\$ 0	\$ (380,297)	\$ 0	\$ 0	\$ 0	\$ (380,297)		
Package 081: May 2012 E-Board									
Personal Services	\$ 33,801	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,801	0	0.00
Services and Supplies	\$ (33,801)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (33,801)		
Package 091: Statewide Administrative Savings									
Personal Services	\$ (39,353)	\$ 0	\$ (5,081)	\$ 0	\$ (21,613)	\$ 0	\$ (66,047)	0	0.00
Services and Supplies	\$ (12,883)	\$ 0	\$ (2,859)	\$ 0	\$ (8,272)	\$ 0	\$ (24,014)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (19,540)	\$ 0	\$ (2,562)	\$ 0	\$ (8,941)	\$ 0	\$ (31,043)	0	0.00
Package 093: PERS Taxation Policy									
Personal Services	\$ (156,139)	\$ 0	\$ (20,468)	\$ 0	\$ (71,446)	\$ 0	\$ (248,053)	0	0.00
Package 101: Natural Hazards Mitigation Planning									
Personal Services	\$ 0	\$ 0	\$ 152,887	\$ 0	\$ 178,312	\$ 0	\$ 331,199	2	2.00
Services and Supplies	\$ 0	\$ 0	\$ 26,476	\$ 0	\$ 70,919	\$ 0	\$ 97,395		
Package 102: OSTI (Gas Emissions)									
Personal Services	\$ 300,132	\$ 0	\$ 161,386	\$ 0	\$ 0	\$ 0	\$ 461,518	3	2.42
Services and Supplies	\$ 19,282	\$ 0	\$ 12,854	\$ 0	\$ 0	\$ 0	\$ 32,136		
Package 105: Attorney General Restoration									
Services and Supplies	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5530-A

Department of Land Conservation and Development
Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 106: Information Management Modernization									
Personal Services	\$ 92,894	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 92,894	1	0.48
Services and Supplies	\$ 146,040	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 146,040		
Package 107: Regional Resource Land Protection									
Services and Supplies	\$ 230,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 230,000		
Package 810: LFO Analyst Adjustments									
Personal Services	\$ 500,616	\$ 0	\$ (500,616)	\$ 0	\$ 0	\$ 0	\$ -	0	0
Services and Supplies	\$ (145,336)	\$ 0	\$ (54,664)	\$ 0	\$ (36,319)	\$ 0	\$ (236,319)		
Special Payment account 6020					\$ (37,282)	\$ (37,282)			
Special Payment account 6015					\$ (40,349)	\$ (40,349)			
Special Payment account 6020	\$ (350,000)	\$ 0	\$ 0	\$ 0	\$ (15,550)	\$ (15,550)			
Special Payment account 6025					\$ 0	\$ 0			
Special Payments account 6730	\$ (555,280)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (555,280)		
Package 811: UCSD Sea Level Data Funding									
Personal Services	\$ 0	\$ 0	\$ 47,959	\$ 0	\$ 0	\$ 0	\$ 47,959	0	0
Services and Supplies (Professional Services)	\$ 0	\$ 0	\$ 302,041	\$ 0	\$ 0	\$ 0	\$ 302,041		
003 - Grants									
Package 090: Analyst Adjustments									
Special Payments 6020	\$ (327,545)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (327,545)		
Special Payments 6016	\$ (327,545)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (327,545)		
Package 810: LFO Analyst Adjustments									
Special Payments 6015	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,000		
Special Payments 6020	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,000		
TOTAL ADJUSTMENTS	\$ (344,667)	\$ 0	\$ (330,722)	\$ 0	\$ 9,459	\$ 0	\$ (665,930)	6	4.60
SUBCOMMITTEE RECOMMENDATION *	\$ 11,929,799	\$ 0	\$ 948,065	\$ 0	\$ 5,906,986	\$ 0	\$ 18,784,850	61	58.06
% Change from 2011-13 Leg Approved Budget	7%	0%	-35%	0%	-3%	0%	0%	7%	5%
% Change from 2013-15 Current Service Level	-3%	0%	-26%	0%	0%	0%	-3%	11%	9%

Legislatively Approved 2013-2015 Key Performance Measures

Agency: LAND CONSERVATION and DEVELOPMENT DEPARTMENT

Mission: To help communities and citizens plan for, protect and improve the built and natural systems that provide a high quality of life. In partnership with citizens and local governments, we foster sustainable and vibrant communities and protect our natural resources legacy.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - EMPLOYMENT LAND SUPPLY – Percent of cities that have an adequate supply of land for industrial and other employment needs to implement their local economic development plan.		Approved KPM	49.00	75.00	75.00
2 - HOUSING LAND SUPPLY – Percent of cities that have an adequate supply of buildable residential land to meet housing needs.		Approved KPM	65.00	90.00	90.00
3 - PUBLIC FACILITIES PLANS – Percent of cities that have updated the local plan to include reasonable cost estimates and funding plans for sewer and water systems.		Approved KPM	46.00	70.00	70.00
4 - CERTIFIED INDUSTRIAL SITES – Number of industrial sites certified as “project-ready” added each fiscal year.		Approved KPM	2.00	6.00	6.00
5 - TRANSIT SUPPORTIVE LAND USE – Percent of urban areas with a population greater than 25,000 that have adopted transit supportive land use regulations.		Approved KPM	89.00	90.00	90.00
6 - TRANSPORTATION FACILITIES – Percent of urban areas that have updated the local plan to include reasonable cost estimates and funding plans for transportation facilities.		Approved KPM	89.00	91.00	92.00
10 - FARM LAND – Percent of farm land outside urban growth boundaries zoned for exclusive farm use in 1987 that retains that zoning.		Approved KPM	99.87	99.95	99.95
11 - FOREST LAND – Percent of forest land outside urban growth boundaries zoned in 1987 for forest or mixed farm/forest use that remains zoned for those uses.		Approved KPM	99.92	99.95	99.95
12 - URBAN GROWTH BOUNDARY EXPANSION – Percent of land added to urban growth boundaries that is not farm or forest land.		Approved KPM	37.00	55.00	55.00
15 - GRANT AWARDS – Percent of local grants awarded to local governments within two months after receiving application.		Approved KPM	100.00	100.00	100.00

Agency: LAND CONSERVATION and DEVELOPMENT DEPARTMENT

Mission:

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
17 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	71.21	83.00	83.00
17 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	66.92	83.00	83.00
17 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	88.06	83.00	83.00
17 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	81.49	83.00	83.00
17 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	73.33	83.00	83.00
17 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	70.90	83.00	83.00
19 - BEST PRACTICES – Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00
7 - ERT – Percentage of local participants who rank DLCD involvement in the ERT process as good to excellent.		Legislative Delete	0.00		
8 - COASTAL DEVELOPMENT ZONING– Percent of estuarine areas designated as “development management units” in 2000 that retain that designation.		Legislative Delete	100.00		

Agency: LAND CONSERVATION and DEVELOPMENT DEPARTMENT

Mission:

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
9 - NATURAL RESOURCE INVENTORIES – Percent of urban areas that have updated buildable land inventories to account for natural resource and hazard areas.		Legislative Delete	1.00		
13 - PERIODIC REVIEW REMANDS – Percent of periodic review work tasks that are returned to local jurisdictions for further action.		Legislative Delete	0.00		
14 - TIMELY COMMENTS – Percent of DLCD concerns or recommendations regarding local plan amendments that are provided to local governments within the statutory deadlines for such comments.		Legislative Delete	100.00	100.00	
16 - LAND USE APPEALS – Percentage of agency appeals of local land use decisions that were upheld by LUBA and the Courts.		Legislative Delete	100.00		
18 - TASK REVIEW – Percent of periodic review work tasks under review at DLCD for no longer than four months.		Legislative Delete	100.00	100.00	100.00
19 - MEASURE 49 - Percentage of Measure 49 claims assigned to the agency that are processed within 180 days.		Legislative Delete	100.00		

LFO Recommendation:

Approve the agency's request to delete KPM #'s 7 related to ERT, #9 Natural Resource Inventories, #13 Periodic Review Remands, #14 Timely Comments and direct the agency retain KPM #9, #13 and #14 as an internal measures. LFO further recommends KPM #8 Coastal Developing Zoning be deleted and retained as an internal measure, KPM #16 Land Use Appeals be deleted and retained as an internal measure and KPM #18 Task Review be deleted and retained as internal measure. These three measures have had no variation from 100% in the last 9 -10 years.Set Targets as noted.

Sub-Committee Action:

The Subcommittee approved the LFO Recommendation.