

Department of Land Conservation and Development

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved	2019-21 CSL LFO	2019-21 Governor's Budget
General Fund	13,211,189	12,951,689	15,160,953	13,906,741	15,069,903
Other Funds	546,079	1,734,829	1,785,545	616,655	1,460,719
Federal Funds	4,260,687	6,421,857	6,487,739	6,484,945	6,964,297
Total Funds	18,017,955	21,108,375	23,434,237	21,008,341	23,494,919
Positions	58	58	58	54	59
FTE	56.46	56.90	56.90	52.79	57.79

*Includes Emergency Board and administrative actions through December 2018

Program Description

The Department of Land Conservation and Development (DLCD) is the administrative arm of the Land Conservation and Development Commission (LCDC). DLCD administers Oregon's statewide land use planning program and Oregon's federally approved coastal management program.

DLCD personnel assist LCDC in adopting state land use goals, enforcing compliance of local land use planning with the goals, coordinating state and local planning activities, and managing the coastal zone and natural hazards programs. Oregon's land use planning system is based on a set of 19 statewide goals expressing the state's policies on land use and related topics such as citizen involvement, housing, and natural resources. Periodic review of locally adopted plans and the provision of both direct technical assistance and planning grants to local jurisdictions are key elements of the program. Under that program, all cities and counties have adopted comprehensive plans that meet mandatory state standards.

In addition to a main office in Salem, the agency maintains field offices in Central Point, Springfield, La Grande, Portland, Newport, and Bend. DLCD is divided into two budgetary programs: Planning and Grants. All of the operational programs and administrative functions of the agency are contained in the Planning program, whereas the Grants program is only for the purpose of segregating grant funding available to local planning units from the operational budget of the agency. The Grants program utilizes General Fund to provide grants to cities and counties for planning activities including economic development opportunity analysis, land inventories, infrastructure, and development planning.

CSL Summary and Issues

The current service level for the agency includes adjustments from the 2017-19 legislatively adopted budget for:

- Legislative actions taken subsequent to the legislatively adopted budget, including 2018 legislative session actions and Emergency Board actions through March 2018
 - \$295,862 for position actions including collective bargaining agreements negotiated by the Governor
 - \$300,000 for Eastern Oregon Economic Analysis Grants
 - \$1.73 million for local housing technical assistance authorized by HB 4006 (2018)
- Biennial reconciliation of positions and the elimination of limited-duration positions: -\$337,675
- Vacancy savings reduction (increase in budgeted expenditures) of \$283,639
- Personal Services adjustments not included elsewhere including; temporary appointments, overtime, and associated taxes: \$14,522
- Phase-out of one-time funded activities or programs funded in the 2017-19 budget, including reductions for:
 - \$90,660 Other Funds for a local economic development pilot project authorized by HB 2743 (2017)
 - \$1.73 million for local housing technical assistance authorized by HB 4006 (2018)
 - \$300,000 for Eastern Oregon Economic Analysis Grants
 - \$593,992 for non-position related one-time funding for development of local floodplain regulations related to the Endangered Species Act and for hazard mitigation planning
- Inflation, both standard inflation at a rate of 3.8% for most Services and Supplies expenditures, and extraordinary inflation for certain authorized items: \$356,752

The 2019-21 biennium current service level budget for DLCD decreases by \$2.46 million or 10.4% from the legislatively approved budget for 2017-19. This decrease is resultant from the removal of \$2.0 million in one-time General Fund appropriations that were used for technical assistance for local affordable housing planning and economic analysis grants in eastern Oregon. One-time funding from the Oregon Office of Emergency Management for hazard mitigation planning was also removed.

Policy Issues

During the 2017-19 biennium, DLCD was provided with General Fund appropriations to provide technical assistance grants to local communities for specific purposes. This is within the context of general planning grant funding supported by the General Fund resting just above a 20-year low of \$1.5 million per biennium. Although additional funding that supports any type of local planning efforts is welcomed by local planning offices, the current policy of specificity of use shifts the prioritization of planning efforts from the local authorities to the state regarding the grant funding.

Other Significant Issues and Background

Significant budgetary policy issues in the Governor's proposed budget:

- A \$500,000 General Fund appropriation is included in The Governor’s budget for Sage Grouse planning, with no detailed information or expenditure plan. The funding was not included in the agency’s requested budget.
- The Governor’s budget includes a policy package appropriating \$1.36 million General Fund for “Development Readiness”. This includes the establishment of a full-time position and \$1.1 million for grants to local governments for housing and economic development planning technical assistance. The funding request is coupled with proposed legislation (LC 487) that would establish a new “Development Readiness” program within DLCD and create specific criteria for financial or technical assistance. The proposed legislation would explicitly create an Other Funds fund wherein the General Fund appropriation proposed in the package would be deposited, allowing the agency to carry-forward any unexpended funds to subsequent biennia. There is no apparent reason that the agency could not prioritize additional General Fund grant monies to the issues highlighted in the proposed legislation at the direction of the Legislature. Also, when a program is established without a dedicated, ongoing funding source, the General Fund ostensibly becomes the funding source for the program.