



# Oregon

Tina Kotek, Governor

Department of Land Conservation and Development

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## WAYS AND MEANS REFERENCE DOCUMENT

Updated February 8, 2022

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### ➤ Agency mission, goals, and historical context.

As stewards of Oregon's land use planning program, the Department of Land Conservation and Development (DLCD) helps communities plan for, protect and improve the built and natural systems that provide a high quality of life. In partnership with Oregonians and local governments, we foster equitable, sustainable communities and protect our way of life and natural resources legacy.

Renowned for its comprehensive planning, Oregon has planned its economic growth and community development, deliberately. Oregon's statewide land use planning system directs growth into areas with infrastructure, services, and support while protecting our working lands and letting them continue to produce farm and forest products for Oregon's economy. The system has evolved over time and continues to evolve today.

DLCD and the policy-making Land Conservation and Development Commission (LCDC) operate under Oregon Revised Statutes, Oregon Administrative Rules and the statewide planning goals.

The program rests on a foundation of 19 statewide planning goals that are implemented through city and county comprehensive plans. The goals are broad statements of adopted state policy for local governments to use in developing comprehensive plans and land use ordinances. Originally developed in the 1970's, the goals have been amended many times over time. The goals that have been adopted as administrative rules (Oregon Administrative rules Chapter 660, Division 015) are mandatory.

Oregon's 19 planning goals include:

**GOAL 1:** Citizen Involvement

**GOAL 2:** Land Use Planning

**GOAL 3:** Agricultural Lands

**GOAL 4:** Forest Lands

**GOAL 5:** Natural Resources, Scenic and Historic Areas, and Open Spaces

**GOAL 6:** Air, Water and Land Resource Quality

**GOAL 7:** Areas Subject to Natural Hazards

**GOAL 8:** Recreational Needs

**GOAL 9:** Economic Development

**GOAL 10:** Housing

**GOAL 11:** Public Facilities and Services

**GOAL 12:** Transportation

**GOAL 13:** Energy Conservation

**GOAL 14:** Urbanization

**GOAL 15:** Willamette River Greenway

**GOAL 16:** Estuarine Resources

**GOAL 17:** Coastal Shorelands

**GOAL 18:** Beaches and Dunes

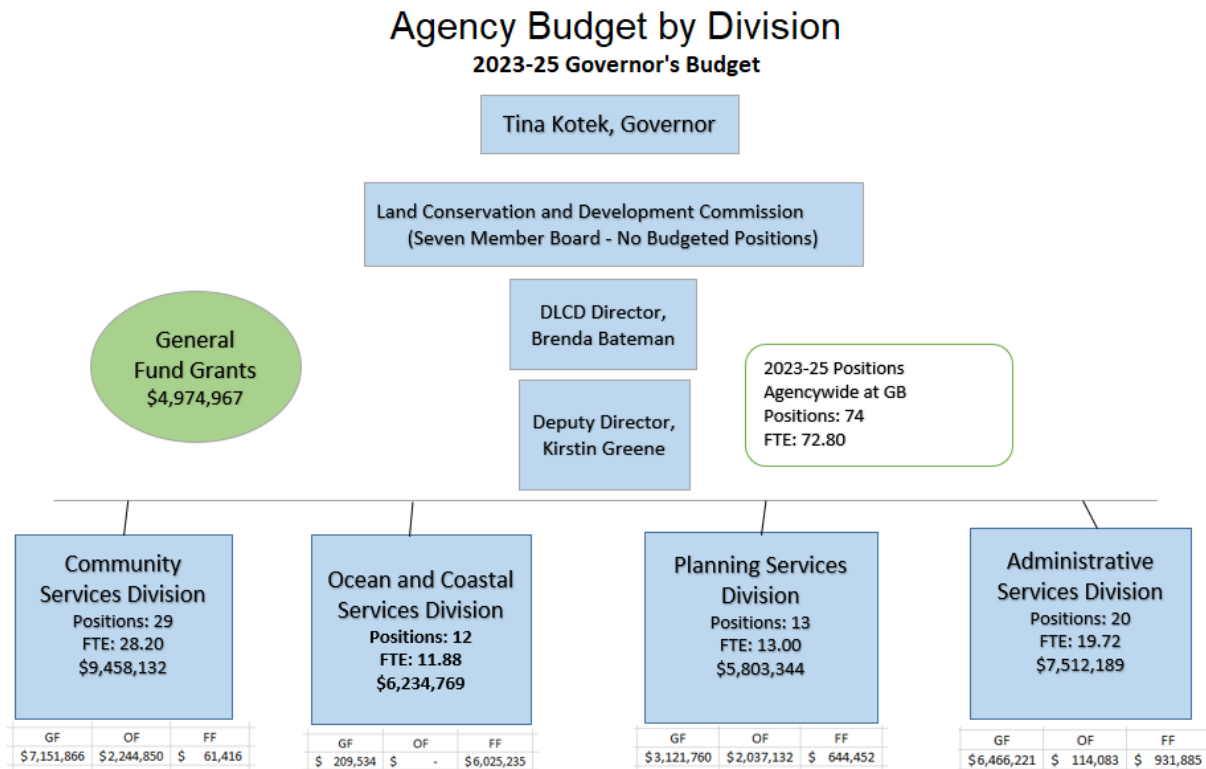
**GOAL 19:** Ocean Resources

We are updating our eight-year strategic plan to focus on these priorities:

- 1: ensure equitable planning and engagement,
- 2: invest in robust operations,
- 3: support climate adaptation and resilience,
- 4: promote healthy and equitable communities, and
- 5: preserve farms, forests, coastal and natural areas.

➤ **High-level summary of agency programs, services, and organizational structure, including organizational charts, as well as any proposed organizational changes.**

DLCD’s organizational chart, with policy authority with the Land Conservation and Development Commission, follows, including four main service areas.

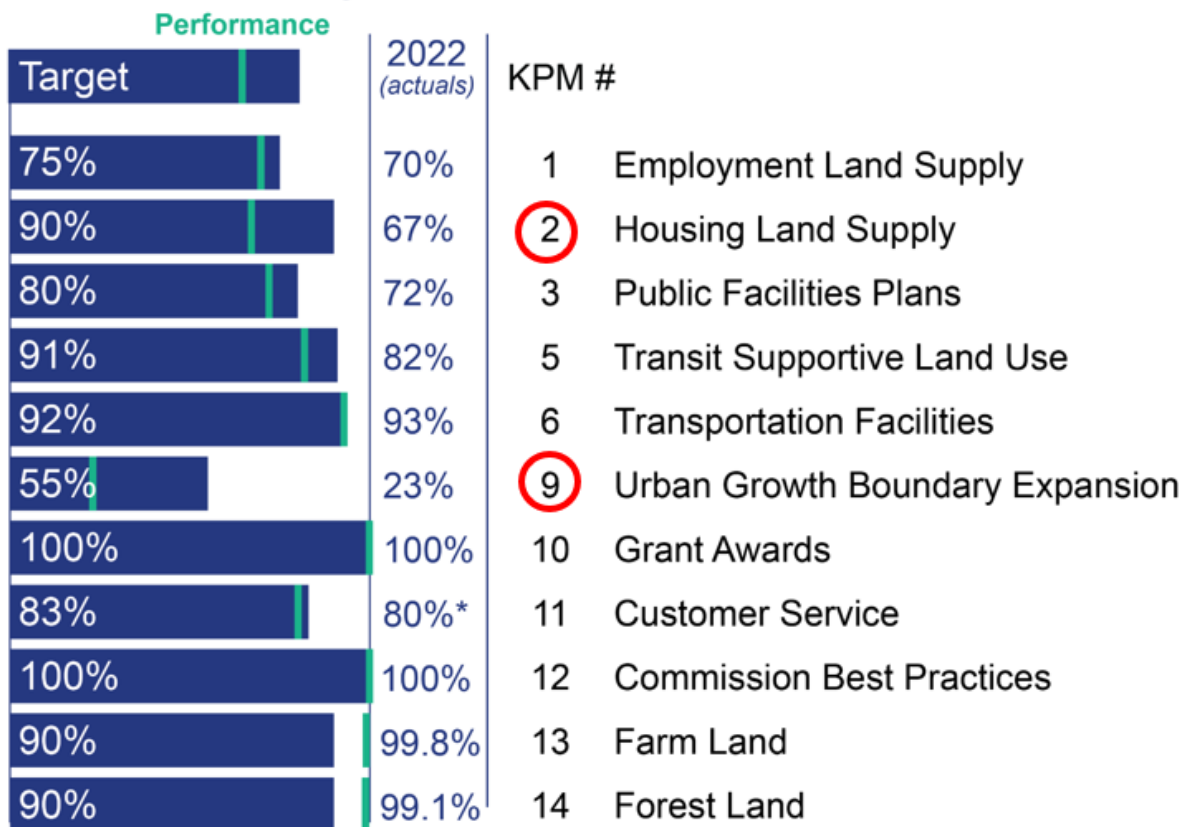


The only organization change we have made this biennium was to ask for an agency Chief Financial Officer (CIO). This important position was previously incorrectly classed as an OPA 3. We have been working with the DAS Assistant CIO for Natural Resources on this fix.

➤ **Overview of agency performance and outcome measures, how measures are used by the agency, and progress toward achieving goals.**

The following is a graphic summary of our key performance measures. While Measures 2 (Housing Land Supply) and 9 (Urban Growth Boundary Expansion) are behind target, we expect these to be addressed this next biennium to come up to performance. Regarding housing, the number of jurisdictions with updated housing plans will rise according the schedule set by House Bill 2003 (2019). For urban growth boundary expansion, we plan to request a change in this measure next biennium to recognize urbanized acreage designated as urban reserves and slated for urban development, that still carry resource land zoning.

**Key Performance Measures - 2022**



➤ **Summary of programs, clients, numbers served, and key partners.**

The land use planning program operates as a partnership with these key constituencies:

- 36 Counties
- 241 Cities
- Nine Federally Recognized Tribes
- Metro Regional Government
- Advocacy & Community-Based Organizations,  
a broad spectrum of stakeholders & public
- State Agencies
- Coastal Program – Network of Local Governments and State Agencies

For a small agency, building strategic alliances is a critical component for success.

DLCD has established foundational alliances with federal, state, and local stakeholders.

Some examples include:

- Climate Change – DLCD partners with 25 other agencies to build a climate knowledge network.
- Transportation and greenhouse gas reduction – The department currently works with OHA, DEQ, ODOE, and ODOT on the Every Mile Counts program.
- Housing – DLCD has partnerships with OHCS, AOC, LOC, and housing providers.
- Natural Hazards Mitigation – The department works with OEM, DOGAMI, and Oregon Climate Change Research Institute.
- Oregon Emergency Response System – DLCD serves with 30 other state agency partners.
- Sage Grouse Conservation – In partnership with ODFW, the Governor’s office, and Federal BLM.
- Oregon Coastal Zone Management Program – Funded by NOAA in collaboration with 10 other state agencies.
- Population Forecasting – Funding is provided to PSU through DLCD’s General Funds grant program.

DLCD provided 259 technical assistance grants to 286 recipients combined for a total of \$8,066,072 last biennium.

➤ **Significant issues that remain unresolved for 2021-23; please use the legislatively approved budget through the December 2022 meeting of the Emergency Board for any 2021-23 budget values.**

The capacity of our local partners is our shared greatest challenge. Many local governments are stretched thin in their planning departments, with some smaller jurisdictions having planners / city recorders or no long-term planners at all. Rather, those administrative staff are often consumed with processing permits. The importance of technical assistance and grants are paramount (oversubscribed every time!), particularly when there are new rules to implement. Some don’t have staff capacity to apply for grants. Accordingly, we make our application forms as easy and accessible as possible.

- **Major agency changes, budget drivers, risks, and information technology projects affecting the 2023-25 budget, such as caseloads, fees, revenue changes, cost per case issues, new investments, etc.**

We are pleased to be able to correct a deficiency with not having a Chief Information Officer to provide services to our staff and by extension local governments, including geographic information services, data equity approaches and other internal information technology improvements associated with state security and maintenance.

- **Important changes to the agency's budget and/or operations in the past 6 years, broken down by biennia, with an emphasis on programs initiated in 2021-23.**

The increase in housing funds has been critical for local governments to improve their housing plans. The next focus is of course on housing production, consistent with the Governor's priorities.

In the 2019-2021 biennia, we supported local governments with housing grants to implement additional land capacity by way of HB 2001 (16 grants) and housing production planning updates resulting from HB 2003 (60 grants). In addition, we used \$4.5M in technical assistance money from HB 5006 (2021) to support local government implementation of middle housing code updates.

- **Budget issues related to COVID-19, wildfires and/or other natural disasters, and emerging issues not captured in the Governor's Budget, if applicable.**

DLCD is the state agency responsible for Community Planning and Capacity Building after natural disasters, such as the 2020 wildfires. We continue to support OEM and recovery efforts in the five main wildfire affected areas, as those communities rebuild. Transportation and Growth Management planning grants are underway in the communities of Blue River and in southern Oregon, along the Bear Creek Greenway communities.

- **Legislation necessary to implement the Governor's budget proposals for the agency.**

We are working with sponsors and the Governor's office on HB 2889, Relating to housing development. The Chief Sponsors are: Rep. Dexter, Sen. Jama, Sen. Anderson, Rep. Fahey, Rep. Marsh, Sen. Gorsek. Additional legislation is expected to establish a Housing Production and Accountability Office.

➤ **Summary of 15% reduction options and impact of any reductions included in the Governor’s budget.**

Further reductions in grants to local governments will undermine local capacity to undertake basic housing, economic development, infrastructure and planning associated with community-specific priority projects.

15% General Fund Reduction Summary					
Goal %%	Goal Amount	Item	Reduction	Running Total	Running Percentage
-5%	\$ (889,100)	50% reduction to GF Grants	\$ 889,100	\$ 889,100	5.00%
-10%	\$ (1,778,200)	15.6% reduction to GF Grants (65.6% total reduction)	\$ 279,201	\$ 1,168,301	6.57%
		50% reduction to AG Fees	\$ 475,000	\$ 1,643,301	9.24%
		14% Reduction to Facilities Rent	\$ 134,899	\$ 1,778,200	10.00%
-15%	\$ (2,667,300)	16% Reduction to Facilities (30% total reduction)	\$ 151,418	\$ 1,929,618	10.85%
		Reductions to out-of-state travel, training, telecom, facilities maintenance	\$ 66,924	\$ 1,996,542	11.23%
		70% reduction to Instate Travel	\$ 77,799	\$ 2,074,341	11.67%
		Reductions to Office, Agency Related, and Other Supplies and Services	\$ 78,535	\$ 2,152,876	12.11%
		80% reduction to Prof Svcs	\$ 220,000	\$ 2,372,876	13.34%
		Reduce two full-time positions to half-time	\$ 294,454	\$ 2,667,330	15.00%



➤ **Summary of long-term vacancy information requested by LFO, including number of vacancies, related budget by fund source, and length of time vacant.**

DLCD has two Long-Term Vacancies as follows:

- 1) Office Specialist 2 since April 2019, funded by General Funds. This is a 0.50 FTE currently part of a longstanding Permanent Finance Plan to reclass another position to better reflect the services they are providing.
- 2) Our OPA3 vacant since Sept. 2021, funding by General Funds. We had a failed recruitment for this position in the fall of 2021. The Assistant State CIO for Natural Resources, Dan Miller, has been coaching DLCD to pursue a better classification for this position for an agency our size. We have successfully cleared CHRO class and comp for this new position, largely utilizing the OPA3 budget amount. We requested the position authority for this important role in DLCD's POP 210, included in the Governor's budget.

➤ **Actions the agency is taking or plans to take to create savings, contain costs, improve services, or create other efficiencies without affecting services.**

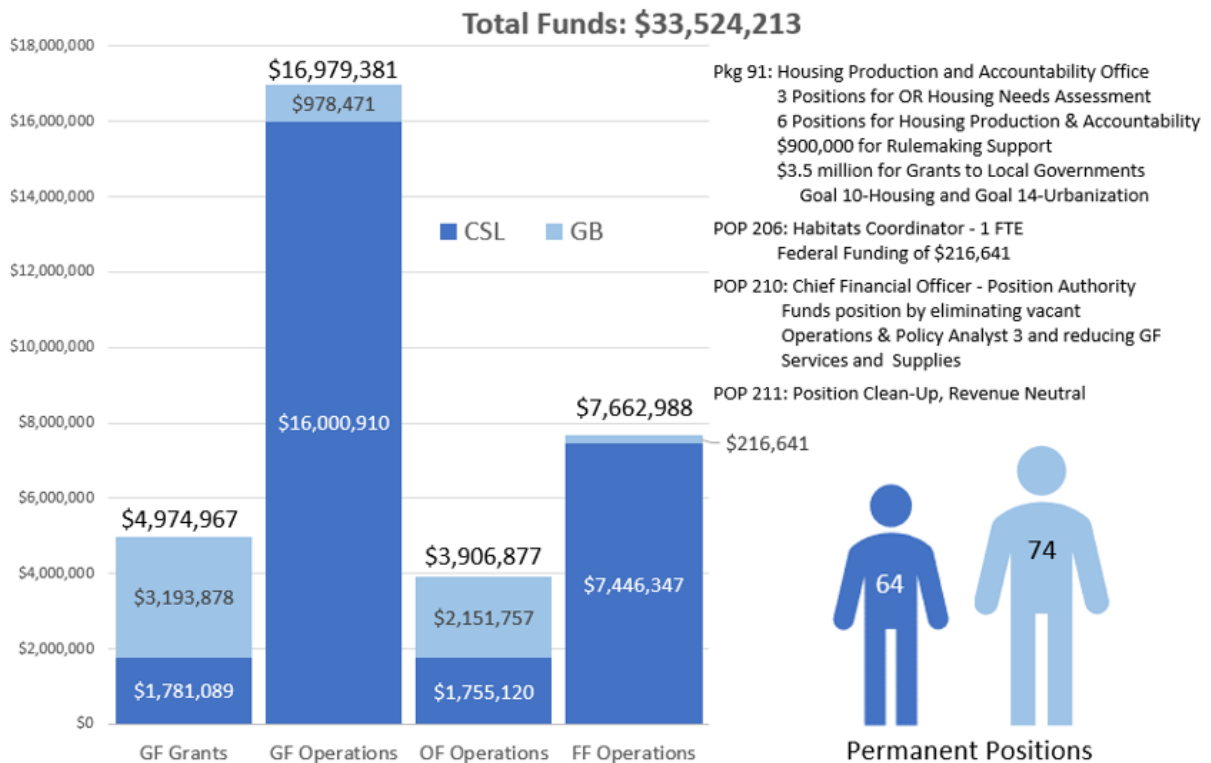
Efficiencies DLCD is utilizing include the use of Teams and Zoom technology, reducing travel costs for meetings, changing Land Conservation and Development meetings to every quarter rather than every other month, and eliminating landlines, and moving from desktop computers to laptops for all staff.

➤ **Summary of the Governor's budget by fund source, policy option package, reductions, and other major changes.**

Governor Kotek's Budget adds \$6.65 million to DLCD's budget as follows:

- Three (3) positions for Oregon Housing Needs Assessment (OHNA) GF \$675,000
- Grant funding for local governments and Goals 10 (Housing) and 14 (Urbanization) GF \$3.5 million
- Establishes Housing and Production Accountability Office with six (6) positions and \$2.15 million in funding from the Department of Consumer and Business Services
- \$0.9M for OHNA-related rulemaking
- (\$578,000) in vacancy savings and grants reductions

Additional detail is shown in the graphic below.



➤ **Requested changes to KPMs or any KPM that the agency is not achieving**

We are not requesting any changes for the 2023-2025 biennium.

➤ **A hyperlink/URL to the agency’s Governor’s Budget published on its website should also be included in the written reference materials. If the agency’s Governor’s Budget document is not completed prior to the deadline for submitting materials, the link/URL should be provided to your LFO analyst as soon as available.**

Due to the timing of the Governor’s Budget release and our early Ways and Means presentation, DLCD has not yet posted GB online but will do so as soon as possible. We will notify our LFO analyst as soon as that is available.

➤ **Results of, and agency responses to, all audits on the agency conducted by the Secretary of State under ORS 297.070 during the current biennium and/or an external audit firm.**

DLCD has not had any audits during the current biennium.

➤ **Description of how recent changes to agency budget and/or management flexibility affected agency operations.**

DLCD is currently without three of our important management positions permanently filled. Our Human Resources manager is on loan to the Oregon Department of Education. She is expected to return from rotation May 1. We are grateful for the shared services of the Department of Agriculture in the interim.

Our recruitment for the CFO position was unfortunately not successful with the lead candidate not particularly interested in management. DLCD's Budget Officer is currently covering this work during a busy time of Workday Payroll Transition, Oregon Buys Transition, the Governor's Budget and legislative session.

Our previous recruitment for the CIO position was unsuccessful with the position incorrectly classed, now resolved. We have posted for the CIO position and will post for the CFO position at the end of this week.

➤ **Supervisory Span of Control Report from the Department of Administrative Services, Chief Human Resources Office, for agencies with more than 100 employees located at:**  
<https://www.oregon.gov/das/HR/Pages/Span.aspx>

With less than 100 employees, this does not apply to DLCD. However, if DLCD receives new or additional programs according to Governor or Legislative priorities, the agency will need additional managerial and administrative positions to deliver the work successfully.

➤ **Summary of proposed information technology projects.**

With our new CIO in place later this spring, we look forward to updating our IT Strategic Plan, expanding mapping services, and focusing on the enterprise goals of open data and data equity.

➤ **Summary of proposed capital construction projects.**

This does not apply to DLCD.

➤ **Program prioritization for 2023-25 (form 107BF23).**

Please see attached.

DLCD Ways and Means Narrative Document

February 8, 2023

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➤ **Other Funds and ARPA ending balance forms.**

We do not receive ARPA funds. Our other funds ending balances are shown below.

Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional Statutory reference	2021-23 Ending Balance		2023-25 Ending Balance		Comments
					In LAB	Revised	In CSL	Revised	
Limited	001 Planning Programs	0020 / Other Fund Operations	Natural Hazards Mitigation Program IAAs with OEM; Coastal program funded by National Fish & Wildlife Foundation; various small sources of fees and interest	Regular Session 2021 SB5530		230,129		232,629	The majority of funds come from OR Office of Emergency Management. Last biennium OEM was more than 18 months behind in paying DLCD. They have been consistently catching up and are currently about 5 months in arrears. We believe this issue will be resolved by the end of this biennium allowing DLCD to match OF expenditures to Revenues immediately instead of keeping a balance on hand for other OF needs.
Limited	001 Planning Programs	0023 / Soils Assessment Fund	Continuous appropriation for the assessment of soils under ORS 215.211	Special Session 2010 HB3647		144,962		156,823	Historically this fund has been under-utilized; in part to staff not charging their time to the work. That has been remedied this biennium. Plans to increase expert reviews of applications are in place to begin this biennium and continue.
Limited	001 Planning Programs	0024 / City Economic Development Pilot Program	Limited duration project with and funded by the City of Madras. Final report was delivered January 2022 and fund will be closed with remaining balance returned to City of	Regular Session 2017 HB2743		0		N/A	This was a limited term fund and the work has been completed. The balance will be returned to the City of Madras and this fund will be closed by the end of this biennium
					415,091	375,091	489,188	389,452	

**AY 2023-25 Governor's Budget (Unaudited)**  
**Department of Land Conservation Development**  
**Program Prioritization for 2023-25**

Agency Name: Department of Land Conservation & Development																					
2023-25 Biennium																					
Agency Number: 66000																					
Program 1																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	10	12	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request				
Agcy	Prgm/ Div																				
1	0	DLCD	001-60:ASD	Administrative Service Division	660-01 through 660-12	6	6,466,221	114,083	931,885	\$ 7,512,189	20	19.72	Y	Y	ORS Chapter 197 and 215.503		Funding is revenue neutral and includes POP 211 which reclasses some positions to better suit the agencies needs and POP 210 that eliminates a vacant OPA3 and establishes a Chief Informations Officer				
1	1	DLCD	001-62: CSD	Community Services Division	660-01 through 660-12	6	7,151,866	2,244,850	61,416	\$ 9,458,132	29	28.20	Y	Y	197.274, 197.319 et seq., 197.610 et seq., 197.626 et seq., 197.652 et seq., 197.717		GB adds 9 permanent full-time positions for OR Housing Needs Assessments and creates the Housing Production and Accountability Office				
1	1	DLCD	001-61: PSD	Planning Services Division	660-01 through 660-12	6	3,121,760	2,037,132	644,452	\$ 5,803,344	13	13.00	N	Y	44 CFR 60.25; ORS Chapters 195, 197, 215 and 227						
1	1	DLCD	001-63: OCSO	Ocean and Coastal Services Division	660-01 through 660-12	6	209,534	0	6,025,235	\$ 6,234,769	12	11.88	Y	Y	ORS Chapter 197, 215 and 227, 196.405 to 196.485, 15 CFR Parts 923 and 930; 16 USC Sec 1451 et seq. & Contractual agreements with federal government.	States choosing to participate in the National Oceanic and Atmospheric Administration (NOAA) program are required to submit grant applications annually.	POP 206 uses Federal Funds to establish a permanent full-time Habitats Coordinator position				
2	1	DLCD	003-02 GRANTS	General Fund Grants	660-01 through 660-12	6	4,974,967	0	0	\$ 4,974,967	0	0.00	Y	Y	ORS Chapter 197 and 197A		GB adds \$3.5 million in grant funding to local governments				
										\$ -											
										\$ -											
										\$ -											
							21,924,348	4,395,065	7,662,988	\$ 33,983,401	74	72.80									



**AY 2023-25 Governor's Budget  
 Department of Land Conservation Development  
 Program Prioritization for 2023-25**

Agency Name: Department of Land Conservation & Development		Agency Number: 66000																		
2023-25 Biennium		Program 1																		
DLCD Grants Program Priorities for 2023-25 Biennium																				
1	2	3	4	5	6	7	8	10	12	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request			
Agcy	Prgm/ Div																			
1	1	DLCD	003-02 GRANTS	General Fund Grants	660-01 through 660-12	6	4,974,967		\$ 4,974,967	0	0.00	Y	Y	S	ORS Chapter 197 & 197A		GB adds \$3.5 million in grant funding to local governments			
									\$ -											
									\$ -											
							4,974,967	-	\$ 4,974,967	0	0.00									