

**FINANCIAL PLANNING DIVISION ANALYSIS**  
**FY 2012-13 Budget**

**Office of Neighborhood Involvement**

Analysis by: Yung Ouyang

**I. Overview**

Budget Summary	Revised FY 2010-11	Revised FY 2011-12	Request Base FY 2012-13	Request Total FY 2012-13	Percent Change
<b>Resources</b>					
Charges for Services	\$145,692	\$145,025	\$145,025	\$157,601	8.7%
Intergovernmental Revenues	287,025	254,095	267,390	267,280	5.2%
Interagency Revenue	52,730	77,930	88,130	88,130	13.1%
Miscellaneous Sources	47,600	21,031	1,040	1,040	-95.1%
General Fund Discretionary	6,131,164	6,851,330	5,552,155	6,169,321	-10.0%
General Fund Overhead	155,628	205,461	200,954	200,954	-2.2%
<b>Total Resources</b>	<b>\$6,819,839</b>	<b>\$7,554,872</b>	<b>\$6,254,694</b>	<b>\$6,884,326</b>	<b>-8.9%</b>
<b>Expenditures</b>					
Personnel Services	\$3,211,588	\$3,506,440	\$3,032,616	\$3,168,255	-9.6%
External Materials and Services	3,097,139	3,546,224	2,656,847	3,148,478	-11.2%
Internal Materials and Services	506,112	502,208	565,231	567,593	13.0%
Fund Transfers - Expense	5,000	0	0	0	N/A
<b>Total Requirements</b>	<b>\$6,819,839</b>	<b>\$7,554,872</b>	<b>\$6,254,694</b>	<b>\$6,884,326</b>	<b>-8.9%</b>
<b>Total Bureau FTE</b>	<b>37.00</b>	<b>39.00</b>	<b>34.00</b>	<b>35.00</b>	<b>-10.3%</b>

Percent Change is the change from FY 2011-12 Revised Budget to FY 2012-13 Total Requested Budget.

**II. Key Issues**

**Evaluating Crime Prevention Efforts**

The Office of Neighborhood Involvement's (ONI) Crime Prevention program has consistently been ranked as one of the office's most important programs and is the home to the largest portion of the office's FTE. Theoretically, the implementation of successful crime prevention strategies should abate the workload of law enforcement officers as incidences of criminal activity are prevented from occurring, and investments in crime prevention should bring a return much greater than investments in law enforcement. During the last several years of budget reductions, City Council has usually protected public safety bureaus' budgets from the level of cuts taken by non-public safety bureaus. ONI is not a public safety bureau even though crime prevention is one of its major programs and, therefore, has not received the fiscal protection that public safety bureaus have usually received during times of budget reduction.

Although the activities of the program and their performance are probably the most easily quantifiable in comparison to ONI's other programs, the program has not been evaluated for its effectiveness. However, ONI has indicated that the crime prevention strategies and activities that it engages in are considered best practices in the field. Crime prevention staff monitors and incorporates the best practices in the fields of problem-oriented policing, community policing, and situational crime prevention. Moreover, staff attends the annual Problem-Oriented Policing

Conference, put on by the Center for Problem-Oriented Policing which is affiliated with the US Department of Justice's Community Oriented Policing Services office.

Financial Planning recommends a rigorous evaluation of the Crime Prevention program to ascertain whether its activities are successful at reducing crime and to what degree. In the past, ONI staff have not engaged in such an evaluation due to the inability of its staff to access databases that only law enforcement agencies are allowed access to. Financial Planning recommends that Council either seek the services of an outside entity with access to such data to conduct the evaluation or empower ONI staff to conduct it themselves by pursuing a waiver/exemption to whatever regulations prevent ONI from accessing such data. With the results of an evaluation in hand, Council can then make informed decisions as to whether to support and strengthen the program, or to reduce it.

ONI has proposed to cut 0.50 FTE from a Crime Prevention Coordinator position and 0.50 FTE from an Office Support Specialist position as parts of its 4% reduction package and another 0.50 FTE as a part of its 6% reduction. Due to the lack of objective measures regarding the effectiveness of the Crime Prevention program, Financial Planning is recommending only the reductions proposed in the 4% reduction package.

### **Advances**

In FY 2008-09, ONI underspent its General Fund appropriation by \$1.5 million due to how advances are recorded in the City's accounting system displays advances and their recoveries. In FY 2009-10 and FY 2010-11, ONI overspent its budget and its General Fund discretionary appropriation due to the same issue. After the discovery of the problem, ONI looked to OMF for a solution, including a potential change in system configuration that would more easily display the effects of advance activity on actual expenditures consistent with the CAFR. A process has now been put in place to help prevent ONI and other City bureaus from underspending and overspending at year-end due to advance activity. In addition, the EBS Team is continuing to work on developing a solution to display advance activity more transparently in SAP reporting, and testing on the new solution is about to begin.

In the meantime, Financial Planning recommends that ONI regularly keep track of the effects of advance activity on its expenditures throughout the year and communicate with Financial Planning on its budgetary needs. ONI can use the newly identified process in the Over-Expenditure Ordinance to request any additional resources necessary to address advance recoveries that it does not have the budgeted resources to cover. Financial Planning will also begin discussions with Technical Accounting regarding the possibility of City bureaus not having to use advances in the granting of funds to outside entities. Financial Planning and ONI staff have met to discuss the issue and have agreed on a process to handle advance activity going forward. Financial Planning will continue to work with ONI on the implementation of this process and evaluating other potential system changes.

**City of Portland**  
Decision Package Recommendations  
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					FPD Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
<b>Office of Neighborhood Involvement</b>											
<u>Reductions</u>											
NI_01 - 4% Mandatory reduction	01	(1.10)	(222,086)	0	12,466	(209,620)	(1.10)	(210,880)	0	12,466	(198,414)
NI_02 - 6% Cut Package	02	(0.50)	(111,043)	0	0	(111,043)	0.00	(69,653)	0	0	(69,653)
NI_03 - Mandatory 8% cut package	03	(0.50)	(111,043)	0	0	(111,043)	0.00	(55,076)	0	0	(55,076)
<i>Total Reductions</i>		(2.10)	(444,172)	0	12,466	(431,706)	(1.10)	(335,609)	0	12,466	(323,143)
<u>Unfunded Ongoing</u>											
NI_06 - Continue One time funding for NSG	01	0.00	0	93,855	0	93,855	0.00	0	0	0	0
NI_04 - Continuation of Graffiti Program	02	2.40	0	552,232	0	552,232	2.40	0	447,232	0	447,232
NI_05 - Continuation of Neighborhood Mediation	03	0.00	0	104,692	0	104,692	0.00	0	0	0	0
NI_08 - East Portland Action Plan	04	1.00	0	279,692	0	279,692	0.00	0	150,000	0	150,000
<i>Total Unfunded Ongoing</i>		3.40	0	1,030,471	0	1,030,471	2.40	0	597,232	0	597,232
<u>Bureau Adds</u>											
NI_09 - Current Service Level one-time/ongoing	01	0.00	0	30,867	0	30,867	0.00	0	0	0	0
<i>Total Bureau Adds</i>		0.00	0	30,867	0	30,867	0.00	0	0	0	0
<u>Realignments</u>											
NI_07 - Funding for Crime Prevention HUB	01	(0.50)	0	0	0	0	(0.50)	0	0	0	0
<i>Total Realignments</i>		(0.50)	0	0	0	0	(0.50)	0	0	0	0
<b>Total Office of Neighborhood Involvement</b>		<b>0.80</b>	<b>(444,172)</b>	<b>1,061,338</b>	<b>12,466</b>	<b>629,632</b>	<b>0.80</b>	<b>(335,609)</b>	<b>597,232</b>	<b>12,466</b>	<b>274,089</b>
<hr/>											
<b>Summary by Decision Package Type</b>											
<i>Total Reductions</i>		(2.10)	(444,172)	0	12,466	(431,706)	(1.10)	(335,609)	0	12,466	(323,143)
<i>Total Unfunded Ongoing</i>		3.40	0	1,030,471	0	1,030,471	2.40	0	597,232	0	597,232
<i>Total Bureau Adds</i>		0.00	0	30,867	0	30,867	0.00	0	0	0	0
<i>Total Realignments</i>		(0.50)	0	0	0	0	(0.50)	0	0	0	0
<b>Grand Total</b>		<b>0.80</b>	<b>(444,172)</b>	<b>1,061,338</b>	<b>12,466</b>	<b>629,632</b>	<b>0.80</b>	<b>(335,609)</b>	<b>597,232</b>	<b>12,466</b>	<b>274,089</b>

### III. Decision Package Analysis & Recommendations

#### Reduction Packages

##### ***4% Mandatory Reduction/NI\_01, (\$209,620), (1.10) FTE, Bureau Priority #1***

ONI's 4% reduction package consists of a multitude of items including a \$99,318 reduction of the Neighborhood Small Grants program, reducing a vacant OSSII position by 50%, a 50% reduction to a filled Crime Prevention Program Coordinator, \$19,888 in cuts to Community and Neighborhood Involvement Center (CNIC) Materials & Services and Special Projects funding, and a \$9,000 reduction to the Resolutions Northwest Neighborhood Mediation Grant.

Financial Planning is recommending all of the reductions in this package with the exception of those that pertain to the Disability and Elders in Action programs (about 5% of the proposed cut). Protecting the most vulnerable during times of fiscal crisis supports the City's equity goals, and so Financial Planning has recommended against reductions to these programs. In regards to positions pertaining to Crime Prevention, please see the Key Issues section above for Financial Planning's rationale.

*FPD Recommendation: (\$198,414), (1.10) FTE*

##### ***6% Mandatory Reduction/NI\_02, (\$111,043), (0.50) FTE, Bureau Priority #2***

The 6% reduction package proposes to eliminate the remaining 0.50 FTE of a Crime Prevention Coordinator position that was cut 50% in the 4% package, and ONI also proposes to reduce partner inflation adjustments by \$70,553 and the Materials & Services budget of the Disability Program by \$4,243. As discussed in the Key Issues section above, Financial Planning is recommending that only one-half of the Crime Prevention Coordinator position be eliminated, protecting the second-half proposed to be eliminated in this package. Furthermore, Financial Planning is not recommending reductions to the Elders in Action and Disability programs, as discussed in the narrative for NI\_01 above. All other reductions are recommended.

*FPD Recommendation: (\$69,653), (0.00) FTE*

##### ***8% Mandatory Reduction/NI\_03, (\$111,043), (0.50) FTE, Bureau Priority #3***

For its 8% reduction package, ONI proposes to eliminate its single Financial Analyst position by 50%, eliminate the remainder of inflationary increases for partner organizations (\$20,685), cut 1% of funds to partner organizations (\$26,803), and reduce funds to Resolutions Northwest by an additional \$10,000.

Financial Planning is recommending against the reduction to the Financial Analyst position because of the complexity of ONI's finances. As noted above, accounting for ONI's advances will continue to be an important role of ONI's finance staff. In addition, ONI's myriad programs with their different financial requirements necessitate a full-time position to attend to the specifics of their individual features. As with the other reduction packages, Financial Planning is recommending the rest of the reductions with the exception of those that pertain to the Disability and Elders in Action programs.

*FPD Recommendation: (\$55,076), (0.00) FTE*

#### Unfunded Ongoing Packages

***Continue One-time Funding for Neighborhood Small Grants/NI\_06, \$93,855, Bureau Priority #1***

ONI is again requesting one-time funds to bring the Neighborhood Small Grants program back to FY 2008-09 levels. Funding was cut by half in FY 2010-11, but the office received one-time funds to bring the program back to full funding in FY 2011-12. Financial Planning is recommending against this request because, although the program has positive impacts and is popular with neighborhood groups, it does not meet the criterion of an essential City service. If the program is a priority, Financial Planning recommends that ONI reallocate existing resources within its budget to fund the grants.

*FPD Recommendation: \$0*

***Continuation of Graffiti Program/NI\_04, \$552,232, 2.40 FTE, Bureau Priority #2***

This package requests the continuation of one-time funding for the Graffiti Abatement program, which has been exclusively funded with one-time resources since FY 2009-10. During the budget development process for the current fiscal year, ONI received \$340,101 for the program, \$12,131 for a 3.5% inflationary increase, and \$95,000 for a limited-term volunteer coordinator. In addition, \$105,000 was carried forward in the Fall BuMP from the prior year for an enhancement of the program by expanding the volunteer component. Due to timing of filling the coordinator position, the \$105,000 for graffiti abatement community grants and the youth walking crew programs were not expended in FY 2010-11.

***Graffiti Reports, 2009-2011***

<b>Year</b>	<b>ONI</b>	<b>Police</b>
2009	10,144	991
2010	6,822	858
2011	7,132	707

Financial Planning is recommending most of the request for the following reasons: 1) there is anecdotal evidence linking graffiti abatement to crime prevention, and 2) ONI has been able to organize significant volunteer resources to accomplish its goals in regards to cleaning up graffiti. Financial Planning commends ONI for its efforts in organizing volunteers and recommends that it continues its efforts to leverage such resources to clean up and prevent graffiti in the city. Financial Planning is not recommending the \$105,000 approved during last year's Winter BMP.

*FPD Recommendation: \$447,232, 2.40 FTE*

***Continuation of Neighborhood Mediation/NI\_05, \$104,692, Bureau Priority #3***

For the fourth year in a row, ONI is requesting one-time funding to continue its Neighborhood Mediation program. Fifty-six percent of the program has been funded with ongoing dollars, with the rest coming from one-time funds starting in FY 2009-10. Financial Planning is recommending against the request because ONI has generally ranked the program as either low or medium priority over the years. If it is truly a priority for ONI to continue the program at the current service level, it should reallocate existing resources to fund it. In addition, Financial Planning does not recommend using one-time resources to fund this ongoing program as it prolongs the inevitable decision to either dedicate sustainable funding or reduce the service level. For FY 2012-13, the bureau has \$128,878 in its base budget for the program. The office has explored the possibility of funding the program through Interagency Agreements with the City bureaus/offices that use the program and has concluded that this method of funding it was not feasible since the services provided are more of an indirect benefit.

*FPD Recommendation: \$0*

***East Portland Action Plan/NI\_08, \$279,692, 1.00 FTE, Bureau Priority #4***

Approval of this package would maintain \$279,692 in one-time resources to continue support for implementation of the East Portland Action Plan, funding an advocate position, operating expenses, community grants, and priority projects. Council will vote on the larger Portland Plan in April. If Council adopts the Portland Plan, there will need to be an assessment of how the East Portland Action Plan fits with the larger Portland Plan and its implementation. Financial Planning is recommending only the grant funding portion of the request. East Portland has historically been under-resourced, and the City's priority of achieving equity between the different areas of the city is the reason for the recommendation. However, Financial Planning is recommending that ONI and the implementers of the plan look to their extensive pool of volunteer resources to fulfill the duties of the advocate position.

*FPD Recommendation: \$150,000, 0.00 FTE*

**Add Packages**

***Current Service Level One-Time, Ongoing/NI\_09, \$30,867, Bureau Priority #1***

ONI requests \$30,867 in one-time dollars to supplement the Materials & Services budgets of its Graffiti, Neighborhood Mediation, Neighborhood Small Grants, and East Portland Action Plan programs to reflect an assumed rate of inflation of 3.46%. Financial Planning is recommending against this request because the bureaus were instructed to not submit any packages requesting new funds not previously approved by Council.

*FPD Recommendation: \$0*

**Realignment Packages**

***Funding for Crime Prevention Hub/NI\_07, \$0, (0.50) FTE, Bureau Priority #1***

ONI proposes to reduce a vacant OSSII position (the same one as that of the 4% reduction package) by 0.50 FTE and transfer the funds to Materials & Services in order to pay for the increased costs of operating the Crime Prevention Hub. Financial Planning is recommending this request because the co-location of crime prevention staff to a single office will enable ONI to realize efficiency savings as well as enable crime prevention staff to more easily communicate with, coordinate with, and learn from each other. Crime prevention staff are currently located in remote offices throughout the city, relying on donated space. The budget for the half position will cover the increased rent. This co-location plan has been in planning for over a year now.

*FPD Recommendation: \$0, (0.50) FTE*

## **V. Performance and Accountability**

### **Program Summary Template**

ONI's Budget Advisory Committee has ranked the office's programs the same as prior years, with the Civic & Neighborhood Involvement Center ranked first and Crime Prevention second. Graffiti Abatement is second to last, while Liquor Licensing is ranked last although it generates revenues for the office. In regards to output and performance measures, most of those pertaining to workload show decreases, perhaps due to ONI's perception that funding for the office will either be reduced or not renewed in FY 2012-13. On the whole, ONI's Program Summary Template is well put together, with accurate numerical figures in the correct columns. The only suggestion for improvement would be separate rankings for Core and Community.

### **Bureau Baseline Template**

In its Baseline Template, ONI has indicated that progress on achieving its five-year plan to increase community engagement has come to a standstill or gains have been reduced due to sustained budget reductions over the last three years. The office has and will continue to use its creativity to retain as much of its gains as it can until the City's economic environment improves.

### **Service Improvement**

ONI has identified two service areas for improvement in FY 2012-13: 1) initiation of subcommittees to address significant policy issues impacting the office's programs and to update ONI's Standards, 2) identification and implementation of service improvements made possible by the Crime Prevention Program's move into a central, shared office space.

To assess customer service satisfaction, ONI worked with the Auditor's Office to incorporate questions into its 2010 survey concerning involvement in community projects or meetings and rating the quality of City services as well as opportunities to influence government decisions. ONI notes that budget limitations have prevented it from implementing a full customer survey. In regards to workforce development, ONI discussed the customer service-related trainings that it has provided to staff. Of particular interest is one on working with persons experiencing mental illness that its Labor/Management Committee is currently putting together.