

Special Appropriations

Analysis by Yung Ouyang

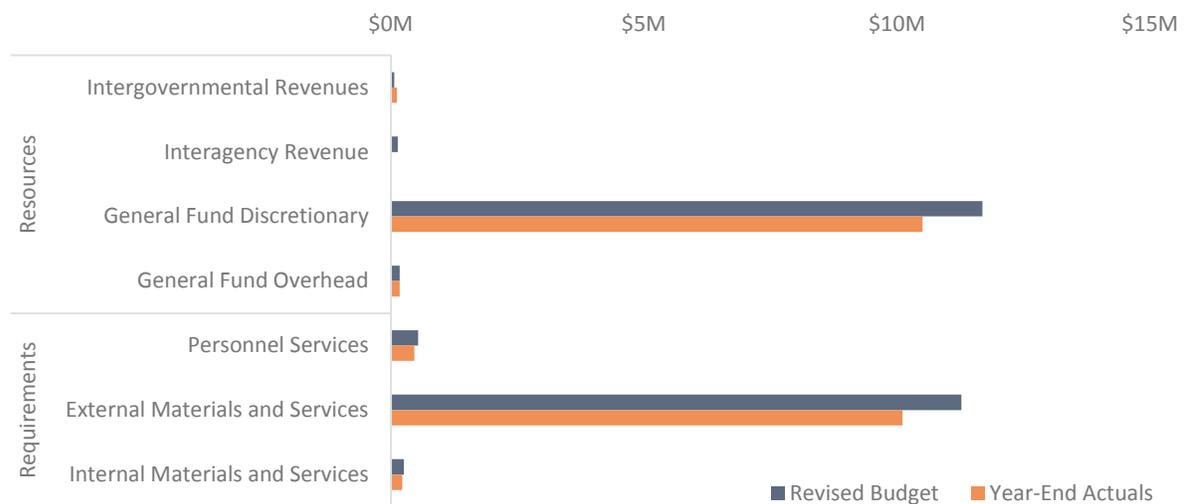
Overall, General Fund Special Appropriations underspent its appropriation by approximately \$1.27 million, or 11%. This is mostly due to underspending in several ongoing Special Appropriations as reflected in External Materials & Services (EMS). A total of \$829,645 for outstanding encumbrances and prior year advances will be carried over into FY 2017-18. All other unspent funds fell to General Fund balance at year-end.

The City does not currently track performance measures for Special Appropriations. However, given the sizable budget of about \$12 million, as well as the critical programs and services provided, the City may want to develop a set of Key Performance Measures for this fund. CBO does, though, recognize the varied nature of the programs funded and hence, the difficulty of developing measures that are applicable across the programs, and offers its assistance if a set of measures is deemed valuable. In FY 2017-18, supervision of Special Appropriations was transferred to the OMF-Grants office, which had already been managing the \$1.0 million in one-time competitive grant funding that was allocated to the program in FY 2016-17. The Grants office is planning on reporting on those grant outcomes which, although not the same as measuring performance for the program, will likely provide some useful information in the future.

Bureau Finances: Budget-to-Actuals and Key Issues

General Fund

Special Appropriations FY 2016-17 Reconciliation



On the revenue side, no Interagency Revenue was collected despite Special Appropriations having a budget of \$134,572 in this category. The revenues are for training services provided by the Bureau of Human Resources to the Bureau of Development Services, the Bureau of Environmental Services, Portland Bureau of Transportation, Portland Water Bureau, and the Office of Management and Finance in accordance with the labor agreement with the City of Portland Professional Employee Association (COPPEA). The amount is a set-aside, and the Bureau of Human Resources failed to bill the bureaus at year-end despite providing the training. With the transition of supervision of Special Appropriations to the Grants office staff, this oversight most likely will not be repeated.

In contrast, Intergovernmental Revenues was over-collected by 78%. When the budget was first developed, an estimate was used for the local cost sharing revenues for the Office of Youth Violence Prevention program because the agreement had not been finalized then. After the finalization of the agreement, an adjustment to the budget should have been made during a Supplemental but was neglected due to confusion as to which City entity was managing the program's budget.

Concerning expenses, Personnel Services was underspent by 14% and Internal Materials & Services was underspent by 12% due to underspending on Council Transition, specifically the one-time funding for transition costs for the Mayor's Office. However, these major categories are small percentages of the Special Appropriations budget.

After factoring in the encumbrances and advance carryovers mentioned above and discussed in the Fall Supplemental review, the remaining unspent balance is made up of underspending in internal City programs like City Membership and Dues, Discretionary Funds for the Mayor's Office, Clean & Safe, Citizen Utility Board Bill Inserts, etc., and two external programs – Future Connect and Specified Animals. This underspending, along with the encumbrance and advance carryovers, account for the 10% underspending in EMS. Although the FY 2016-17 funds for Specified Animals were actually fully expended, unspent moneys from prior years were carried forward into the FY 2016-17 budget.