

PRIOR YEAR PERFORMANCE REPORT

Fiscal Year 2016-17

CITY BUDGET OFFICE

Performance Management



Executive Summary

Analyzing Prior-year Performance: What were the results of the City’s investments?

Continuing the multi-year economic expansion in the Metro region, Fiscal Year 2016–17 brought another year of strong revenues to the City of Portland. This enabled City Council to direct last year’s Adopted Budget surplus and Fall Supplemental excess balance to address its top priorities for the community: 1) Provision of services to prevent and alleviate homelessness, 2) Public safety staffing and other initiatives, and (3) Parks and Recreation staffing. While additional funding was added to many City bureaus (as well as cuts made to reprioritize funds), substantial General Fund resources were focused on these areas.

Did the influx of new resources lead to improved outcomes for the Portland community? For affordable housing and public safety, the additional spending has been successful in expanding services and hiring more police officers. For Parks and Recreation, the new funding increased wages and benefits for over 100 seasonal staff, who are now employed on a year-round basis. Intended outcomes for the community, including lower incidence of homelessness, reduced crime, and greater satisfaction from parks services, are mixed or unknown – though it may be too early to come to conclusions. The discussion below provides more detail on the spending and results of last year’s General Fund priorities. Year-end financial analysis and performance of specific City bureaus, including trends in the non-General fund bureaus that include substantial increases in fund reserves, are linked directly on page 1 of the Prior Year Performance Report.

Discussion

Budgeted Priority 1: Address Homelessness through the Joint Office of Homeless Services

The City allocated a total of \$25.3 million (\$13.2 ongoing, \$12.1 one-time) to address homelessness in FY 2016-17, the most substantial investment made by Council ever towards homelessness. The resources to address homelessness were largely disbursed through the Joint Office of Homeless Services, a new agency created via intergovernmental agreement between the City of Portland and Multnomah County with a combined allocation of \$48.1 million. Council also directed an additional \$1.3 million to the Office of Management and Finance – Facilities services to provide campsite management and cleanup on City-owned properties.

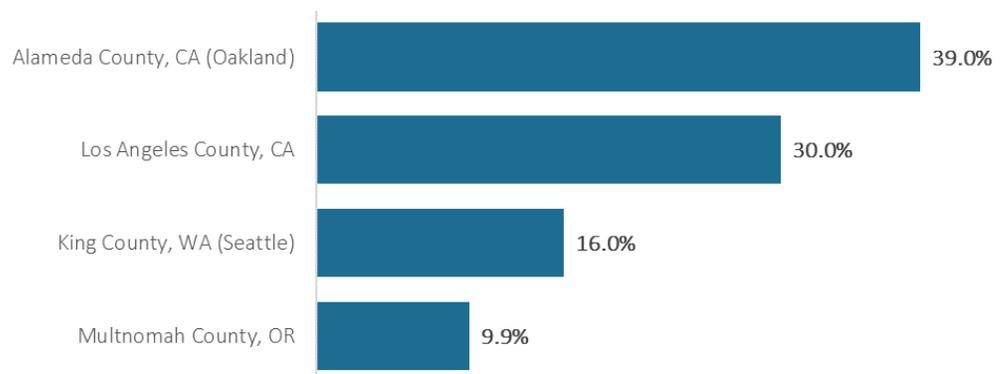
The Joint Office of Homeless Services (JOHS) administers contracts for services to help those that are experiencing and are at-risk of experiencing homelessness in the region. City funding for JOHS programs included \$6.7 million for “Rapid Rehousing” that aims to make homelessness a short-lived experience for recently houseless individuals; \$5.8 million on “Supportive Housing” to help individuals gain access to housing and preventative services; and \$8.0 million on “Safety Off the Streets” to pay for shelters and services for victims of domestic violence, youth, women and families. The bureau also directed \$736,825 to prevent seniors and people with disabilities from becoming homeless, divert at-risk individuals from coming into contact with the criminal justice system, and expand tenant protections.

This increased funding created an expansion of services as well as some positive trends in performance outcomes. While the “Point-in-Time” count—a census that captures how many individuals are experiencing homelessness on one given night—saw a 9.9 percent *increase* of the homeless population at 4,177 individuals in 2017, the annual percentage of unsheltered individuals saw an 11.6 percent *decrease*. Programs funded through the JOHS and aligned partners likely contributed to the decline in unsheltered Portlanders, having served a total of 29,221 individuals in the Office’s first year of operation - up from 25,651 in the prior year, when programs were separately managed by the City and County. These services included an increase in shelter capacity, with 600 new shelter beds created in FY 2016-17. Prevention services were expanded as well. In FY 2016-17, the number of people receiving rent assistance and other interventions reached 6,576—up from 3,922 from the year prior, a 67% increase. This figure corresponds with data that shows a 27% drop in individuals who have been homeless for less than one year, indicating that prevention efforts may have helped reduce the number of newly-homeless individuals in Portland.

Other outcome measures are less promising. Portland’s overall homeless rate climbed by 9.9 percent and its per capita homeless rate climbed 6.9 percent since 2015. The number of chronically homeless individuals similarly increased: approximately 31 percent of the homeless population surveyed met the HUD definition for chronic homelessness – an increase of 257 individuals (representing 25 percent growth) over the previous count in 2015. Notably, the incidence of chronically homeless families decreased, while chronically homeless single adults increased. Approximately 29 percent of the unsheltered population reported experiencing homelessness for the first time, which may reflect local housing market and economic conditions. While the news is sobering, it is important to note that homelessness increased less in Multnomah County than in other West Coast jurisdictions (see chart). It is likely that

the increased funding prevented the incidence of worse outcomes; however, more analysis is needed to fully understand the effectiveness of City investments towards these efforts.

Overall Change in Homelessness, 2015 - 2017



As an important next step, City Council should work with Multnomah County to determine what results are expected from this significant new outlay of resources. The [A Home for Everyone United Community Plan to End Homelessness](#) established a vision for reducing the unmet housing need among people experiencing homelessness by half by June 2017. The A Home for Everyone Coordinating board provides an appropriate venue for community leaders to provide a clear directive on the outcomes contracted providers are expected to deliver in FY 2018-19 and beyond, and to compare quarterly progress towards these goals. A greater focus on management and results – in addition to sustained funding – will be needed to ensure that the region is making the most of its investment to help Portland’s most in need.

Budgeted Priority 2: Ensure Adequate Staffing for the Provision of Public Safety Services

At \$341.6 million in total, public safety services provided by the Police bureau, Portland Fire & Rescue, and the Bureau of Emergency Communications represented 56.7% of General Fund allocations in FY 2016-17. That amount included \$7.6 million in new funding added to the police, fire, transportation and emergency communications bureaus primarily to ensure adequate staffing. New resources helped fill police patrol officer vacancies, added authorized FTE to the City's emergency communications dispatch operator ranks, and retained 13 firefighters. The City added new positions to the Police Bureau's Sex Assault unit and new funding for the new Police bureau body camera program. The City also expanded its SummerWorks internship program and Vision Zero initiative to reduce traffic fatalities.

Police Services

The Police Bureau presented the need to increase patrol staffing in several Government Accountability Transparency and Results (GATR) sessions in 2016. To increase the pace of hiring, the Police Bureau restructured its hiring process, expanded recruitment tactics, and successfully advocated for increased pay and benefits in a new contract with the Portland Police Association – an agreement that required an additional \$1.7 million in ongoing and \$250,000 in one-time funds in FY 2016-17, with a total ongoing impact of \$6.8 million. These efforts precipitated an increase in hiring as intended: the bureau brought on 59 police officers during the fiscal year, up from 21 new recruits in FY 2015-16. The police bureau projects to reach full sworn staffing levels during FY 2017–18, an influx that will help counterbalance the wave of projected retirements in the bureau over the next few years.

While the year saw an uptick in sworn recruits, measures of service quality still indicate the effects of understaffing. Dispatched incidences climbed 1.5 percent while officer-initiated calls dropped 25 percent, reflecting the bureau's struggle to conduct proactive police work. Average travel time to high priority calls climbed from 5:55 to 6:33 minutes, a 10.7 percent increase from the prior year. Another important aspect of service quality for the Police Bureau is increased accountability and improving relations with the community. Here the bureau's key performance measure related to use of force (a major focus of the DOJ Agreement) showed positive improvement in FY 2016-17. The percentage of custodies in which there was a Force Data Collection Report (FDCR) level event decreased from 2.9% to 2.3%.

However, some crime rates worsened compared to the prior year. Major property crime was up nine percent from FY 2015-16, a figure that reflects double-digit increases in automobile theft, while person crime (murder, rape and assault) increased 5.4 percent from FY 2015-16. Crimes against society – such as gambling, prostitution and drug violations – dropped 12.8 percent, a shift in the numbers that may have been affected by the Police bureau moving officers from specialty units (including Drugs and Vice) to Patrol services. While the City will continue to analyze crime trends moving forward, less can be said regarding long-term historical trends. The Police bureau transitioned to a new federal standard for reporting in FY 2015-16 and data from previous years are not comparable.

Fire & Rescue

The FY 2016-17 Adopted Budget allocated \$1.4 million in ongoing funds to retain 13 firefighters previously supported by a federal grant. This investment allowed the Fire Bureau to sustain its current level of staffing at the City's 30 fire stations. Though this represents a significant ongoing investment, these levels may not be sufficient if the Fire Bureau continues to provide first response to medical incidents to supplement ambulance providers.

Medical incidents amount to 71.6% of all calls for service for the Fire Bureau. Medical incidents climbed 7.2 percent from the prior year, a trajectory congruent with five-year trends. This increase results in lower availability for other types of emergencies. However, with a total of four civilian deaths from fire for the year (down from nine in the previous year), community outcomes in the area reached close to historic lows.

Emergency Communications

Over the last two budget cycles, the Bureau of Emergency Communications (BOEC) received \$1.1 million to add 11 dispatch operator positions, as well as \$858,000 in ongoing resources to pay for 13 trainee positions. The positions are intended to bring the bureau's workforce to more sustainable levels, and to create a consistent pool of trained recruits to move into certified staff roles.

Several reports by the City Ombudsman in FY 2016-17 found that a problem related to BOEC's cell phone screening system has caused inaccurate reporting in call taking times since 2004. While the bureau had previously reported that 99% of calls were answered in less than 20 seconds, revised data showed that only 63% of calls were answered within that target. Based on the revised call-taking information, the number of calls per operator climbed 40 percent, a figure that more closely corresponds with the 82 percent increase in overtime hours since FY 2014-15. After proposing solutions to address these challenges with Mayor Wheeler and the BOEC User Board at an August 2017 GATR session, the bureau is now implementing an action plan to address staff retention and improve call-taking times to meet national standards.

Transportation

Another initiative to increase public safety in Portland is Vision Zero, the City's plan to dramatically reduce traffic fatalities by the year 2035. PBOT received \$300,000 in the Adopted Budget to conduct a traffic study and perform low-cost safety improvements at high crash locations to provide safer pedestrian crossings. The bureau also received much more substantial funding in the FY 2016-17 Fall Supplemental through the Capital Set-Aside process for major maintenance projects that included safety as a key aim. These projects included \$950,000 for Traffic Signal Reconstruction and \$864,000 for Traffic Signal System Local Controller replacements. Allocations of \$350,000 for seasonal improvements to Naito and \$1.0 million for the Outer Halsey Safety Streetscape project were also provided. Results from these investments were not immediately apparent as traffic-related fatalities climbed from 37 in the prior year to 44 in 2016, an 18.9 percent increase. However, the bureau argues that sustained investment is required to increase safety for all users of the roadway and other transportation facilities, especially as the City's population expands.

Budgeted Priority 3: Parks and Recreation Receive an Injection of Staff and Maintenance Dollars

The FY 2016-17 Adopted Budget added \$4.39 million in ongoing general fund to convert seasonal positions into 101.25 FTE as a result of the arbitration settlement with labor union Local 483. This was in addition to \$300,000 of ongoing funding for the Parks for New Portlanders Program and \$220,000 of ongoing funding for the operations and maintenance of new Parks. This operations and maintenance funding supports increased access to parks as it is necessary due to the opening of new parks in underserved areas. The bureau also added two new park rangers assigned to the North and East Portland. To help balance these new costs, Parks cut \$626,808 in ongoing requirements by reducing seasonal and natural area maintenance, reducing administrative support and unemployment reserve, and increasing customer service fees and parking rates, among other actions. The overall increase in General Fund allocation accompanies increases in Parks' non-General Fund revenues, notably from System Development Charges (\$30.4 million in FY 2016-17) which pay for new capital investments and Parks

Replacement Bond dollars. The bureau also received \$3.82 million in the Fall Supplemental for major maintenance of the Delta Park Maintenance Facility. Parks' deteriorating assets and new system expansions will require new resources or efficiencies to maintain today's service levels for the next generation or require tradeoffs associated with the current level of service.

The primary aim of Parks' additional \$4.39 million in funding for staff was to maintain service levels at the Parks bureau, not necessarily to increase them. That said, increased wages and benefits could reasonably yield a more consistent and satisfied workforce, ultimately resulting in better services. Unfortunately, the bureau's measure for community sentiment regarding its services and programming is unknown due to the discontinuation of the Auditor's Community Survey in FY 2016-17. Parks has recently conducted its own resident survey to gather feedback that will inform operations, but this data is not yet available. With regards to access, the percentage of people who live within one-half mile of a park or natural area dropping from 81 percent to 80 percent, a trend driven more by housing development patterns than the location of new parks.

Discontinuation of Community Survey Creates Data Gap

The cancellation of the Auditor's Community Survey creates a data gap in understanding community outcomes in other areas of City investment, in addition to parks. These include:

- Perception of safety across different parts of the city
- Perception of service levels from transportation facilities and other infrastructure
- Level of community engagement, and
- Community sentiment on overall City livability.

Moving forward, bureaus with the means to do so may elect to conduct their own surveys, but a Citywide approach with a streamlined focus of inquiry would certainly present efficiencies and perhaps more unbiased results. A cross-bureau survey with improved methodology would also provide needed data on the City's efforts to increase equity in traditionally underserved populations. Ultimately, the City's ability to address priorities like homelessness, public safety, and livability, rely on shared contributions from many City bureaus and should be evaluated accordingly.