

# **Budget Manual**

**City of Portland, Oregon**



**Fiscal Year 2020-21**

**City Budget Office**

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# User's Guide

The Budget Manual is a general guide to budget development in the City of Portland. Although the guidelines and directions included in this manual are meant to be comprehensive, requests for new information, changes in direction, and adjustments in deadlines should be expected. In order to keep bureaus informed of any changes, the City Budget Office (CBO) uses budget memos, weekly communications, our [website](#), and direct support to bureaus. Additional technical support for using the City's budget system can be found [here](#).

The weekly communications and other correspondence are distributed using the City Budget Managers and Contacts distribution list in Outlook. This list is maintained primarily for use by the Budget Office, but is available for use by any City user. If you find errors or outdated information in this distribution list, please contact Alexandra Martin at 823-6925.

If you have any questions regarding this manual, please contact your assigned CBO analyst. The most current list of [City Budget Office staff and assignments](#) can be viewed on the CBO website.

## What's in the Manual?

This Budget Manual is written for City of Portland staff involved in budget development: City administrators and managers who have financial and budgetary oversight responsibilities, and the bureau staff responsible for the technical preparation and development of budget documents.

For FY 2020-21, we have broken out the manual into the following sections to help you more easily find the information you need.

**[Section 1 – Overview: Key Information & Changes.](#)** This section provides direction on budget guidance, changes from the previous year's process, inflation assumptions, and the budget process calendar.

**[Section 2 - Budget Development Process: Who, What, & When.](#)** This is an overview of the City's budget process, including bureau and CBO responsibilities during each phase of the budget.

**[Section 3 - Technical Instructions: Building Your Budget in BFM.](#)** This provides high level instructions regarding the entries in BFM, required narratives in PatternStream, and other required submittal documents. Bureaus should also refer to the [BFM uPerform website](#) for technical BFM instructions and support. Additional details are available in the [Style Guide & Glossary](#).

**[Section 4 – Program Offers: Narrative & Technical Guidance.](#)** This section outlines goals of multi-year transition to program offer budgeting, provides details about each component of the program offer, and describes how to create and complete program offer forms in BFM.

**[Section 5 – Performance Management: Citywide Framework & Technical Guidance.](#)** This section provides more information about the City's performance management

system, including roles and responsibilities of bureaus, CBO, and Council Offices; measure types, metadata, and reporting requirements, and a brief primer for bureaus on how to develop performance measures and determine measure targets. This section includes technical instructions for how to enter performance measure values and metadata in BFM.

**[Section 6 – Financial Planning: Five-Year Forecasts & Fee Studies.](#)** This section describes requirements for the Five-Year Forecast and Fee Studies.

**[Section 7 – Budget Document Instructions: PatternStream, BFM Reports, and Other Documents.](#)** This is a full list of each component of the Requested Budget Document submission, including format, required narrative, and page limits.

**[Section 8 – BFM Deep Dive: Detailed Personnel Information, Reporting Glossary, & BFM Technical Checks.](#)** This section documents the interaction between SAP data and BFM personnel costs and shares the answers to FAQs. There is also a full Reporting Glossary outlining all of the reports available in BFM, what they show you, and how to use them. Lastly, there is a more detailed list of the technical checks that references the reports available in BFM to facilitate technical checks.

## Section 1

# **Overview: Key Information & Changes**

## Key Information for FY 2020-21

FY 2019-20 was a year of significant change to the budget process and the first year of implementation of our new budget software. FY 2020-21 continues implementation of these changes, with some process improvements based on stakeholder feedback.

Wherever possible, CBO has strived to retain consistency in the types of information and processes required, especially during the continued transition. High-level changes are highlighted below, and detailed changes are emphasized in text boxes at the beginning of each section of this manual. In addition, training videos to assist in the completion of new budget forms have been made available online [here](#). Please do not hesitate to contact your CBO analyst with any questions; we are here to help bureaus troubleshoot challenges and adapt to these new processes.

## *Technical Changes & Updates*

### Year 2 of Budget Software Implementation

FY 2019-20 Budget Development was the inaugural budget process for our new budget system, Budget Formulation and Management (BFM). After the first full year of budgeting in BFM, CBO issued a survey and has made improvements to BFM based on feedback received, including:

- [Additional training on Personnel Budgeting](#)
- [Additional training on Reporting Resources](#)
- Increased space for Equity Impacts on the Program Offer form

### Performance Management

CBO is making three important changes to the City's performance management system in FY 2020-21 in order to facilitate improved consistency and greater use of performance data in the City.

- First, bureaus will be reporting measure data on a quarterly basis, in accordance with data availability. CBO will work with bureaus to assess performance and report progress on City priorities to Council in a corresponding quarterly report and interactive dashboard.
- Second, CBO will conduct a review of each bureau's suite of measures submitted in the FY 2020-21 Requested Budget. This review is to ensure that each bureau has a diverse set of measures that capture the results of core programs and services, and that measures reported by more than one bureau are consistent.
- Third, CBO will establish a short list of Citywide key performance measures to address gaps or inconsistencies in reporting. These measures will be established via memo in December 2019.

Bureau staff interested in designing the FY 2020-21 quarterly performance report and other ongoing processes may join the Performance Advisory Committee that will be convened beginning in March 2020. Contact [Shannon Carney](#) to participate or to learn more.

## PatternStream Upgrade

For FY 2020-21 PatternStream, the publishing software used by CBO, has been upgraded. Users will not have any changes to how they access the application. Improvements to PatternStream include:

- Revision history
- Find and Replace for narrative text
- Easier Navigation

The application is still largely the same and bureaus will continue to provide the same information as was required in the past.

## Budget Equity Tool – Now in BFM

To help facilitate better Citywide reporting on key equity issues, CBO has worked with the Office of Equity & Human Rights to transition from a separate Budget Equity Tool to using an Equity Impact Form within BFM. More details are available [here](#).

## *FY 2020-21 Budget Process*

In FY 2020-21, there are three major focuses in the budget development process:

- Continued refinement and transition to program offers, articulated at the sub-program level
- Long-term focus on cross-bureau collaborative solutions to significant Citywide issues as outlined in the Mayor's Budget Guidance; and
- Strategic planning and management of wage growth outside of standard inflationary factors

Each of these focuses are discussed in more detail below.

### Program Offers

In FY 2019-20, the Mayor's Office directed a series of changes to the budget process, which included the requirement of bureau level **program offers** to be submitted as part of the requested budget while allowing bureaus the flexibility to adjust base budgets within those specific program offers. These process changes are still underway, and will likely take additional budget cycles to be fully implemented across all bureaus.

For FY 2020-21, bureaus will continue to refine and develop their budgets in a “program offer” format. Program offers combine program descriptions, budget, equity impacts, and performance data for a set of services into a brief and concise document. The goal of program offer budgeting is to succinctly describe how bureau resources are allocated to deliver services back to the community.

CBO requests bureaus notify their analyst if there are significant planned changes to program offers, such as concerted efforts to ascribe resources from the four-digit functional area to the

required six-digit functional area level. CBO analysts will provide additional technical support and assistance to ensure transparency in this conversion of master data.

## **Mayoral Priorities & FY 2020-21 Budget Guidance**

The budget guidance for FY 2020-21 centers on providing stability to bureaus as budget requests are developed, however there are seven clear priority areas identified for specific instruction. The detailed guidance highlighting the priority areas is located here <https://www.portlandoregon.gov/cbo/79906> and a subsequent FAQ document is here (insert link).

**General Fund:** Current Appropriation Level (CAL) targets for FY 2020-21 are scheduled to be released in early December 2019 and will include standard inflationary growth factors and routine adjustments in accordance with City policies. The FY 2020-21 budget guidance does not call for across-the-board reduction packages, rather the guidance is specific and focused on the achievement of efficiencies in public safety bureau operations over the next three years. The City's Chief Administrative Officer (CAO) in the Office of Management & Finance is coordinating with the public safety partners to achieve a 2% reduction over the next three fiscal years per the budget guidance.

While there is no formal constraint or required reductions, there still is a scarcity of new General Fund resources projected for FY 2020-21. In order to provide flexibility and options, any request for new General Fund resources (ongoing and one-time) must include a 50% reduction option for consideration. An internal realignment may substitute for the 50% reduction, it must be clear in the decision package narrative what activities or services will cease to exist in order to internally shift resources. Requests for one-time capital set-aside do not require a 50% reduction option for consideration.

**Utility and Internal Service Funds:** per the budget guidance, the rate funded bureaus, including the internal service funds, should build budgets in accordance with the rate levels approved as part of the multi-year funding plans presented during the FY 2019-20 budget development. Bureaus experiencing increased costs due to changes in required projects or proposed new services must present reduction packages or proposals as options to retain the rate at its previously forecasted level. Due to the potential outsize impact of the water filtration plant on estimated Water rates, the Water Bureau is directed to submit a proposal and/or reduction options for Council review that seeks to absorb at least 25% of the estimated rate increase associated with the updated filtration plant costs.

Specific guidance for internal service funds is unchanged from FY 2019-20 in that:

- OMF internal service program offer budgets should not reduce replacement funding or major maintenance funding.
- Any changes to the quantities that drive pass-through costs should be made with the approval of customer bureaus.
- Internal service funds should submit target rate budgets as part of their requested budget.

- Each internal service fund requested budget should include a list of all individual rates that are increasing by more than a percentage point above internal service inflation factors provided by the City Economist, along with an explanation of the cost drivers.
- A total Citywide budget for each rate should be included. This will help to identify those rates that are increasing rapidly that also have a large dollar impact on bureaus.

Requests for projects or services that would necessitate an increase in the aggregate rate budget should be achieved through consensus between the service provider and requesting bureau. If a bureau wishes to purchase a greater level of service at the established rate, they may do so via negotiation with the internal service partner and balance this interagency agreement in the Requested Budget submission.

**All Other Funds:** bureaus with any other type of resource - including grants and intergovernmental revenues, service charges and fee revenues, and miscellaneous revenues – should produce a budget that is in alignment with the prior years’ forecast for the requested budget year. If there are changes or updates to the prior forecast, the bureau should explicitly highlight changes in resources and expenditures, and describe how those changes were allocated or managed, in the bureau’s financial planning documents and program offer narratives.

As noted above, bureaus reliant on resources that are prone to economic fluctuations should be wary of committing significant new ongoing requirements, particularly in the form of new ongoing personnel.

### **Financial Sustainability & Personnel Cost Forecasting**

In FY 2018-19, the Bureau of Human Resources completed the conversion for non-represented employees into a new classification/compensation system, which includes new compensation pay bands. In January of 2019, Non-represented employees also experienced wage adjustments to keep the City compliant with the state-wide pay equity law. In the past, BRASS projections allowed bureaus to cost out 4.1% merit increases for all employees<sup>1</sup>. CBO has typically included a small percentage of General Fund resources in bureaus’ CAL target allocation for “drift” or increased wages throughout the year; it was largely expected that bureaus would plan and manage for these optional cost increases within their allocated resources. While the amount CBO allocates in bureau CAL targets for “drift” will remain consistent with past practice, **the changes in compensation band sizes and the implications of the pay equity law necessitate changes in the way the City plans for and budgets merit increases.**

First: Many employees that were formerly at the top of range are now eligible for merit awards, increasing the potential cost of merit across the City. As a result, it is expected that many

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<sup>1</sup> BFM will generate a projection for non-represented employees that is calculated at 3%. This projection is not capped based on top of range and this projection does not apply to individuals in bargaining units other than non-represented.

bureaus will not have sufficient resources within their base budgets to allocate uniform 4.1% merit awards to non-represented employees.

Second: The pay equity law requires that the City award merit increases using a consistent methodology for consistent work across the City. The Bureau of Human Resources has been piloting a new Citywide performance management system, with the intent of rolling out the new system Citywide in FY 2020-21, known as “Success Factors”. This new system will help the City address the issues of merit and pay consistency both within and across bureaus.

Beginning in July of 2020, the majority of merit eligible City staff will transition to a common online performance review system, with a ‘focal point review’ – meaning that all employees will be on a common review cycle and will receive their year-end rating as well as any applicable merit award on a common date towards the beginning of the fiscal year. A focal point review will allow for greater consistency of merit award distribution across a standardized scale. As with any normal distribution of performance, most employees throughout the City should anticipate a rating of “meets expectations”. Ratings outside meets expectations will be indicative of either clearly exceptional performance above and beyond expectations or opportunities that need to be addressed.

To ensure consistency between performance rating and merit allocation across the City, a matrix will be provided that translates an employee’s performance score to a percentage merit award. Questions specific to Success Factors, and merit distribution policies should be directed to Ron Zito at [Ronald.Zito@portlandoregon.gov](mailto:Ronald.Zito@portlandoregon.gov).

CBO has created tools within BFM to help bureaus budget for merit within this new system. For more information on personnel budget in BFM, see [Personnel Budgeting](#).

- **Merit increases for non-represented employees shall be budgeted in a newly created General Ledger account 511900.** While expense will not post to this account, it is expected this will assist with resource planning and the wages will be captured in the higher-level GL account of 511000 for all salary and wage postings.
- There is a forecasting tool in PCF calibrated at 3% increases for non-represented classifications. This tool aligns with BHRs new performance management system, Success Factors, and is available to assist with calculations and planning for merit increases.

## **FY 2020-21 Requested Budget Submittal**

Requested Budgets are due to the Budget Office on **January 29, 2020**. Any submittals received after the due date will be reported to the Mayor and the Commissioner-in-Charge. Timely delivery is necessary to ensure that the Budget Office has enough time to perform the internal tasks necessary to meet deadlines in support of the Council decision-making process.

### ***Components of the Requested Budget Submittal***

The following documents are required in the Requested Budget submittal. Please submit the documents in the order in which they appear in the list.

1. Cover page
2. Cover letter signed by the Commissioner in Charge
3. Budget Advisory Committee Report (a minority report may also be included)
4. PatternStream documents, including:
  - a. Organization chart
  - b. Narrative Overview (see the Budget Document Submission section for additional details), including Bureau Mission, Overview, Strategic Direction, Major Issues, and Capital Program information.
  - c. Fund summaries
  - d. Capital project details
5. Program Offers (BFM Program Offer report)
6. Bureau performance measure report (PM1 - Performance Measure report)
7. Decision Package(s) (BFM Decision Package Summary report)
8. Five-year financial plan (if applicable). This will be submitted as a PDF outside of the budget system. Bureaus should also submit the detailed Excel file to the CBO. See the five-year financial plan section for more info.
9. Fee Study (if applicable)
10. Budget Equity Assessment Tool (also submit copy to Office of Equity & Human Rights)
11. Percent for Art Eligibility Forms (submit electronically to OMF's City Arts Manager [Giyen.Kim@Portlandoregon.gov](mailto:Giyen.Kim@Portlandoregon.gov))

CBO analysts will review the submission for completeness upon receipt. Bureaus will be required to provide any missing documents immediately after an incomplete submittal is identified.

### ***Distributing the Requested Budget***

Bureaus are responsible for distributing nine paper copies and one electronic PDF copy as follows:

- 3 paper copies to the Mayor's Office
- 1 paper copy to each of the Commissioner's Offices (4 total)
- 1 paper copy to the Auditor
- 1 paper copy to the Audit Services Division of the Auditor's Office
- 1 electronic copy to your CBO analyst

Submit a combined PDF of the entire request except for the Percent for Art eligibility forms which should be a separate electronic submission to OMF to [Giyen.Kim@portlandoregon.gov](mailto:Giyen.Kim@portlandoregon.gov)

All Requested Budget documents will be posted on the CBO website shortly after submittal.

**Requested Budget Process Calendar**

December	6	<ul style="list-style-type: none"> <li>• Preliminary OMF IAs loaded by CBO</li> <li>• CBO loads paycheck data in BFM</li> </ul>
January	3	<ul style="list-style-type: none"> <li>• Final upload of position and personnel cost data from SAP to PCF (based on December 26th payroll)</li> </ul>
	6	<ul style="list-style-type: none"> <li>• Bureaus must review positions loaded into the “base” and work with their CBO analyst to manually add any positions that were not fully through the P4 process by the final upload. The deadline is COB with no exceptions. This is critical for opening decision packages and additional functionality in the system required for the requested.</li> </ul>
	7	<ul style="list-style-type: none"> <li>• BFM Base Personnel Budget Frozen</li> <li>• DP forms open for Requested</li> </ul>
	15	<ul style="list-style-type: none"> <li>• All Requested Budget interagency agreements completed and balanced</li> </ul>
	22	<ul style="list-style-type: none"> <li>• Deadline for requesting the creation of new performance measures (reflected in BFM no later than Jan. 27)</li> </ul>
	29	<ul style="list-style-type: none"> <li>• Bureaus and Prosper Portland submit Requested Budget to CBO</li> </ul>
	29	<ul style="list-style-type: none"> <li>• Special Appropriation requests for General Fund support due</li> </ul>
March	2	<ul style="list-style-type: none"> <li>• CBO analysis on Requested Budgets distributed to Council</li> </ul>
	5-30	<ul style="list-style-type: none"> <li>• Council budget work sessions</li> </ul>
	30	<ul style="list-style-type: none"> <li>• CBO performance measure feedback provided to bureaus</li> </ul>

June	1	<ul style="list-style-type: none"><li>• Final day to submit changes to performance measures (targets may still be adjusted through Approved and Adopted Budgets).</li></ul>
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The dates for the release of the Proposed, Approved, and Adopted Budgets have not yet been confirmed by Council but are expected to follow a timeline comparable to last year. These dates will come to council for adoption in mid-December.

## Budget Assumptions

The table below summarizes many of the key financial assumptions City bureaus should use in developing their budget calculations. This information is available under the “Economics” tile on the BFM homepage. Five-year estimates are also distributed by the Budget Office to bureaus developing Five-Year Financial Plans.

Data	FY 2020-21
<b>Inflation Assumptions</b>	
Expected CPI-W for COLA (wage and salary)	2.90%
Health and dental increase *	4.00%
Labor drift increase	0.50%
External materials and services increase	3.60%
Internal materials and services increase	3.10%
Interest Rate Forecast (from <a href="#">Treasury</a> )	1.85%
<b>Benefits Assumptions</b>	
PERS - Tiers 1 & 2**	27.86%
OPSRP - General Service payroll**	21.53%
OPSRP - Police & Fire sworn payroll**	29.16%
Social Security - up to estimated \$128,700	6.20%
Medicare	1.45%
TriMet	0.7787%

\* Per City Economist. For the General Fund, the FY 2020-21 increase will be budgeted in the General Fund Compensation Set-Aside. Non-General Fund bureaus should budget FY 2020-21 health and dental increases in their fund’s compensation set-aside contingency.

\*\* Includes employer pickup

Interest Rate Assumptions: The Treasury Division distributes interest rate forecasts annually (in the fall) or upon request. Requests should be sent to the *Treasury All* email group address.

## Section 2

# **The Budget Development Process: Who, What, & When**

## **Budget Development Process**

### ***Requested Budget***

Each bureau is responsible for development of its budget. Bureaus may use different processes and tools during the internal development phase of their budgets prior to preparing the submittals that are required by the Budget Office.

The bureaus, in concert with the City Budget Office, are responsible for producing a technically balanced budget and the documents that present the budget. This effort involves significant data input into BFM and the PatternStream document publishing system.

Bureaus perform the following tasks for any budget version:

- Ensure that the requested budget properly address the Mayor's Office guidance, the bureau's position, and Council priorities and direction
- Using position management data in Personnel Cost Forecasting (PCF), ensure that bureau position information is consistent with Citywide position management data maintained by the Bureau of Human Resources
- Ensure the interagency agreements and cash transfers are balanced (with the exception of decision packages during the Requested Budget phase)
- Enter the budget figures and performance measures in BFM
- Ensure that resources and requirements in BFM are balanced
- Enter the appropriate budget narrative in PatternStream and BFM
- Ensure that certain accounting maintenance is performed as necessary (e.g. all master data is in SAP and up to date)

Please refer to the detailed technical checklists for BFM and PatternStream entries located at the end of this manual.

### **Requests for Budget Notes**

Although it is not common practice, bureaus may request budget notes as part of their Requested Budget. The request should be included in the Requested Budget cover memo. The City Budget Office will make recommendations on budget notes as part of reviews. The Mayor and other commissioners have the authority to add a budget note during the Proposed, Approved, or Adopted budgets, and the City Budget Office adds these notes when directed to do so by City Council. Council votes to include and then approve the budget notes during the Proposed, Approved, and Adopted phases of the budget.

### ***City Budget Office Review of Requested Budgets***

Upon receipt of a bureau's Requested Budget, the Budget Office staff confirms that submitted materials are complete, accurate, and comply with budget guidance. If there are oversights, the CBO analyst contacts the bureau for the missing information. When all materials have been provided by the bureau, CBO staff analyze the Requested Budget by considering a variety of budget and policy issues, including:

- Overall financial sustainability, including financial performance and trends
- Program performance trends and impact on program goals
- Changes to Council-authorized positions
- Changes in resources and expenditures
- Council priorities and direction
- Compliance with Comprehensive Financial Management Policies

Based on the analysis of bureaus' Requested Budgets, CBO prepares budget analysis reports for the Mayor and Commissioners. These analyses summarize the Requested Budgets of the bureaus and highlight issues that may be of particular concern to Council, the bureau, or the City Budget Office. The reports serve as a basis for discussion of the bureaus' budgets during budget work sessions. Budget analyses typically include the following:

- A financial summary of the bureau's resources and requirements for the previous year, current year, and the budget year under development
- Summary discussion of major issues and performance trends
- Other budget issues, such as information on how the budget responds to Council priorities and strategic issues
- Analysis and recommendations on any bureau decision packages
- Analysis of the bureaus Capital Improvement and Financial Plans

### ***Mayor's Proposed Budget***

Acting as the Chair of the Budget Committee, the Mayor is responsible for overseeing the preparation of the Proposed Budget for presentation to the City Council sitting as the Budget Committee. The Proposed Budget is the culmination of an extensive process of budget development, analysis, and revision. The end product is a published budget document that reflects the Mayor's priorities for all City bureaus.

Bureaus' Tasks for the Proposed Budget:

- Bureau staff may need to edit their performance measures in BFM to align with the decisions in the Mayor's Proposed Budget.
- Bureaus should also balance all interagencies and cash transfers, and may make technical adjustments in decision package forms with prior approval from their CBO analyst.

### **The Budget Office's Tasks for the Proposed Budget**

During the Proposed Budget process, CBO assists the Mayor in information gathering, analysis, decision support, and General Fund balancing.

Once the Mayor's decisions for the Proposed Budget are made, CBO conveys these decisions to the bureaus via "Bureau Fact Sheets." These fact sheets, along with financial tables from PatternStream, are merged to construct the Proposed Budget document.

## ***Approved Budget***

In accordance with Local Budget Law, the City Council is convened as the Budget Committee during the Approved Budget process. The Budget Committee meets to accomplish four actions:

- Receive the budget message and budget document
- Hear and consider public testimony
- Review and approve a balanced budget
- Approve the rate for property taxes

The Budget Officer may provide a copy of the Proposed Budget to each member of the Budget Committee at any time prior to the first Budget Committee meeting as advertised in the notice. The budget is a public record at this point.

At the first Budget Committee meeting, the Mayor delivers the budget message. This message explains the Proposed Budget and significant changes in the City's financial position. At this first meeting, the Budget Committee may provide members of the public the opportunity to ask questions about or comment on the budget. If public comment is not scheduled at this meeting, the Budget Committee must provide the public with the opportunity at one or more subsequent meetings. Announcements advertising the Notice of Budget Committee Meeting are printed in local newspapers prior to the meeting. The timing and frequency of the public notices are governed by Local Budget Law.

After the initial meeting, the Budget Committee may meet as many times as needed to revise and complete the budget. If two or more meetings are held to take comment from the public, the first meeting to do so must meet Local Budget Law publication requirements. Notice of other meetings of the Budget Committee must be provided as required by Oregon public meeting law. All meetings are open to the public.

### **Bureaus' Tasks for the Approved Budget**

- Bureau staff may need to edit their performance measures in BFM to align with the decisions in the Approved Budget.
- Bureaus should also balance all interagency agreements and cash transfers, and may make technical adjustments in decision package forms with prior approval from their CBO analyst.
- A description and dollar amount of each adjustment must be submitted to the Budget Office for inclusion in the documents that are submitted to the Budget Committee.

### **The Budget Office's Tasks for the Approved Budget**

- CBO prepares a memo with attachments (aka 'Change Memo') for the Budget Committee that identifies all changes from the Mayor's Proposed Budget to the Approved Budget.
- The City Council, sitting as the Budget Committee, reviews the changes and votes on the Approved Budget. Once the change memo is approved by the Budget Committee, the Budget Office submits the change memo to the Tax Supervising and Conservation Commission (TSCC).

## ***Tax Supervising and Conservation Commission Hearing***

As required by Local Budget Law, TSCC works with the City Budget Office and City Council to schedule and hold a public hearing to review the City's Approved Budget. The TSCC is an advisory commission whose members are appointed by the Governor. TSCC is responsible for reviewing, holding hearings, and producing a report on the budgets for every legal jurisdiction in Multnomah County. The outcome of this hearing is a letter certifying that the budget follows Local Budget Law. The letter may contain recommendations and/or objections. The City, through the City Budget Office, is responsible for addressing any objections or recommendations prior to final adoption of the budget by City Council in late June.

## ***Adopted Budget***

Local Budget Law requires that Council adopt a budget (i.e. appropriate funds) and approve the tax levies no later than June 30. Local Budget Law also prohibits changes between the Approved and Adopted Budgets that would result in a fund's expenditures growing by more than 10%. Changes normally include technical adjustments and carryover amendments.

Council adopts the budget at a regular Council session. CBO prepares a set of resolutions and ordinances to formally adopt the budget, make appropriations, levy and categorize property taxes, and elect to accept state revenue sharing funds. After considering relevant testimony, the City Council may modify the budget and then adopt the budget.

The final step in the budget cycle is to file the budget and certify any necessary property tax levy to the county assessors. Since the City of Portland is physically located in Multnomah, Clackamas, and Washington counties, the budget is filed with the assessor of each county.

## **Bureaus' Tasks for the Adopted Budget**

- Bureaus need to revise their budget narrative to align with the decisions and financial data that make up the City's Adopted Budget. Bureaus are asked to limit their narrative sections to the recommended length. Narratives that exceed the recommended lengths may be edited for concision without bureau input. Please remember that the narratives have not been updated since the Requested Budget and should be updated to reflect decisions made in the Adopted Budget.
- Bureau staff may need to edit their performance measures in BFM to align with the decisions in the Adopted Budget.
- Bureaus should also balance all interagency agreements and cash transfers and may make technical adjustments in decision package forms with prior approval from their CBO analyst.
- A description and dollar amount of each adjustment must be submitted to the Budget Office for inclusion in the change memo.

## The Budget Office's Tasks for the Adopted Budget

- CBO prepares for City Council the budget adoption ordinances and a cover memo with attachments that identify all changes to the Approved Budget as proposed by the Mayor.
- CBO reviews changes to bureau budget narrative.
- Upon adoption, CBO provides the Adopted Budget data file to Accounting to be uploaded to SAP for the new fiscal year.
- Produces the Adopted Budget document.

## *Public Involvement in the Budget Process*

The City of Portland engages in a proactive community outreach effort as part of the budget process. Each year, bureaus are required to include a public involvement component in developing their Requested Budgets. In addition, a panel of Community Budget Advisors is appointed to work with Council on reviewing Requested Budgets, public budget forums are held around the city, and budget hearings are held as prescribed by Local Budget Law before budget approval and adoption. The City Budget Office [website includes information about how and when the public can be involved in the budget process](#).

## Public Testimony on the Budget

The City hosts several opportunities for the community to provide testimony each year:

- **Community budget forums:** Budget forums provide an opportunity for members of the community to discuss services and priorities with the elected officials. This information provides Council with additional context as they move through the decision-making process. These forums may be scheduled prior to presentation of the Mayor's Proposed Budget but are always scheduled prior to Budget Committee approval of a budget. The forums are held in the community, in the evenings and on weekends to increase attendance. Locations for the community budget forums are rotated around the city to ensure that neighborhoods in all geographic areas in Portland are visited.
- **Budget Committee public hearing:** This hearing takes place in the evening or on the weekend, and provides an opportunity for community members to testify formally on the Proposed Budget, prior to the Budget Committee's vote on the Approved Budget. The hearing typically takes place in Council Chambers.
- **Utility rate hearing:** Public testimony is taken at a regular Council meeting when utility rates are brought forward for adoption.
- **Budget Committee action to approve the City budget:** Public testimony is taken at the final meeting of the Budget Committee when the budget is approved.
- **Tax Supervising and Conservation Commission public hearing:** This is a legally required hearing held by the Tax Supervising and Conservation Commission prior to the Council vote on the Adopted Budget.
- **Council action to adopt the City budget:** Council adopts the budget at a regular Council meeting where public testimony is also accepted.

- **Council action to amend the City budget:** Supplemental budgets are brought before City Council several times per year. Testimony is accepted.

## **Bureau Budget Advisory Committees**

Each bureau is also required to have a budget advisory committee consisting of bureau staff, labor representation, and community members. In September 2012, the City's Public Involvement Advisory Council (PIAC) developed goals and guidelines for Budget Advisory Committees (BACs) which were approved by Council as binding City policy. A summary of the goals is as follows:

- Accessible and meaningful engagement opportunities, especially for those communities which have historically been underrepresented
- Early community education and engagement
- Recruitment of diverse membership and orientation of new BAC members
- Adequate time and opportunities for deliberation and community feedback
- Community involvement in the evaluation of BAC processes
- Development of budget decisions that better reflect community priorities

There are no changes to the FY 2020-21 budget development process that will impact BACs. The transition to Program Offers should support the focus of BAC discussion and feedback on larger conversations around **desired service levels** and **performance outcomes of bureau activities** rather than focusing on the merits of marginal dollar value changes. Last year, CBO provided [additional guidance for bureau staff](#) to help support their BACs through the process changes, which can be found [here](#) (*note that this document includes guidance on constraint budgeting and Council-directed changes, which are not part of this year's guidance*). Additionally, the Office of Community and Civic Life is revisiting and providing additional guidance around requirements for City Advisory Boards and Commissions. Resources and details can be found on their website [here](#).

Please note that both the CBO and Civic Life documents are saved on the internal city website; you will need to be logged into your City account to view the files.

## ***Budgeting in Portland***

### **Budgeting and Financial Forecasting**

The City budgets on an annual basis but conducts financial planning over a five-year timeframe. This is done to ensure that decisions are made within a larger financial perspective. Annual budget decisions, particularly in the General Fund, are made such that resources and requirements balance in the fifth year of financial plan.

### **Local Budget Law**

Most local governments in Oregon, from the smallest special district to the largest city, must prepare and adopt an annual or biennial budget. Schools, counties, cities, ports, rural fire protection districts, water districts, and special districts are all subject to the same budget provisions under Oregon Revised Statutes Chapter 294.

Oregon law does two important things:

1. It establishes standard procedures for preparing, presenting, and administering a budget.
2. It requires community involvement in the preparation of a budget and public disclosure before a budget's formal adoption.

## **Compliance with City Financial Policies and Other Planning Documents**

The City has many policies that interact with and provide direction in making budgetary decisions. The City's [Comprehensive Financial Management Policies](#) govern the budget process and our financial planning and reporting procedures, and also outline important rules regarding the use of revenues, establishment of reserve funds, appropriate cost allocation, and other financial management issues. All City bureaus should be familiar with and adhere to the Citywide financial and planning policies, the [Portland Plan, fund statements of purpose](#), and the bureau's strategic plans, when producing the Requested Budget. Many of these policies can be found on the [Portland Policy Documents](#) website.

## **Budget Officer and Budget Committee**

To give the public ample opportunity to participate in the budgeting process, Local Budget Law requires that a budget officer be appointed, and a budget committee be formed. Under the direction of the Mayor, the budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally adopted. For the City of Portland, the director of the City Budget Office acts as the Budget Officer, and the Budget Committee consists of the members of the City Council.

Notices are published, budgets are made available for public review, and opportunities for public comment are provided during at least two points in the process. These requirements encourage public participation in the budget decision-making process and give public exposure to budgeted programs and fiscal policies prior to adoption.

## **Budget Monitoring and Amendments**

Changes after budget adoption are completed through the budget monitoring process (BMP) and the over-expenditure ordinance. These processes provide Council the opportunity to change the budget several times per year. The procedures for determining which of these processes is appropriate for particular budget adjustments or increases is included in the [BMP Manual](#).

## Section 3

# **Technical Instructions: Building Your Budget in BFM**

## Building Your Budget in BFM

This section provides a general overview of how to budget in BFM, the City's new budgeting software. CBO provided in-person trainings on how to use the new system in early December 2019. Online trainings are available for you to access at any time on CBO's website under [BFM Training and Resources](#). CBO will continue to add to this library, and we welcome feedback on what additional trainings would be useful for end users.

To help ease the transition to the new budget system, we recreated many of the legacy budget system (BRASS) reports, spreadsheet views, and advance spreadsheet views as reports in BFM as well as others that facilitate new processes or improvements based on bureau feedback, we even kept the same naming conventions! You are encouraged to contact your CBO analyst for additional technical assistance or with procedural questions.

### *Data Uploaded from SAP*

All master data – funds, fund centers, functional areas, funded programs, grants, and commitment items – originates in SAP and are uploaded regularly to BFM. The bureau will need to make any changes to master data elements in SAP before they will be reflected in BFM.

In FY 2020-21, we understand that bureaus may want to make changes to their budget structure – particularly functional areas – in the continued transition to program offers. We anticipated that this would be a multi-year process, and expect bureaus to make refinements in FY 2020-21. Please see our guide on "[Using functional areas in the FY 2020-21 process](#)" for additional information.

CBO will upload master data from SAP into BFM on the following dates:

- December 5 & 12, 2019
- January 2, 9, 16, and 23, 2020



**When requests are submitted to accounting for new master data, it takes approximately one week before the new elements are complete and then available for upload to BFM.**

When requests are submitted to accounting for changes to master data, this can take longer because the changes should go through a review process with CBO and accounting that could lead to an expanded time line. If the bureau knows that they expect to make changes to existing master data, please submit these requests as early as possible.

**BFM will be updated with the newest payroll information on January 3, 2020; there will not be any additional updates through the end of the budget process.**

### *Current Appropriation Level (CAL) Targets*

The City Budget Office determines CAL targets for all bureaus and services that receive General Fund discretionary and overhead resources. The targets are based on a calculation beginning with the previous year's Adopted Budget plus necessary inflation and other Council directed adjustments.

- Inflation factors (see budget assumptions section above) are determined by the City Economist.
- Each bureau will receive its full share of COLA from the previous year in its CAL target for the budget year, regardless of the amount of COLA received in the previous year's spring BMP. The CAL target only covers the proportion of COLA that is funded with General Fund discretionary and overhead resources. COLA for the budget year is included in the Compensation Set-Aside (see cost of living adjustments section below).
- CAL targets also allow an average percentage increase in the personnel services budgets to deal with step increases. This increase is called a drift factor. The drift factor accounts for the impact of step increases as well as the savings from labor turnover; new employees are usually paid at a lower rate than departing employees.
- The historical average drift has been about 0.5% per year. There are two limitations on that average figure.
  1. It applies most accurately to bureaus with large numbers of employees.
  2. For any given small bureau or work group, there may be a disproportionate percentage of employees receiving step increases, and the actual drift may be higher than 0.5%.

### ***Starting Point (Base) Budget***

BFM is populated with personnel services data derived from the City HR system (SAP), OMF interagency agreements, and General Fund discretionary and overhead targets.

**Personnel services:** Costs for existing positions (full-time, part-time, and limited term) and benefits are estimated by BFM's PCF module. This information is based on payroll data from the SAP Human Capital Management module. The PCF data includes information about positions, current employees, and vacant positions.

CBO will upload the initial SAP data November 8<sup>th</sup>, 2019 and the final paycheck of the calendar year into BFM on January 3<sup>rd</sup>, 2020. **Future changes related to employees made in BFM will be saved and applied to the January 3, 2020 load.** Bureaus will have until close of business on January 6<sup>th</sup> to notify their CBO analyst if there are positions missing from the base budget. CBO analysts will review the information and work with the system administrator to manually add missing positions. This should only be done for extenuating circumstances that prevented the bureau from meeting the deadlines established by HR.

January 7<sup>th</sup>, the base budget will be frozen, and the system will be moved forward to the requested phase and bureaus can begin to develop their requested budgets. After this, CBO will not upload any further paycheck data to ensure that bureaus are able to build and make changes to the allocation in time to submit their requested budgets.

PCF makes the following base budget assumptions:

- A normal progression of step increases for represented positions (where applicable);
- There is no assumed merit increase for non-represented employees;
- No step increases are assumed for represented vacant positions, which cost out at Step 1 of the range, and non-rep vacant positions are projected at mid-range;

- As with filled positions, expected cost of living adjustments and health benefit increases are not included in PCF costs.

[See the Overview section for more key information about accounting for wage increases.](#)

**OMF internal materials and services:** Initial cost estimates for interagency service agreements for services provided by OMF internal service providers will be loaded from files provided by OMF. This information is based on current inventory or service levels, and rates for the new fiscal year. Data for the following OMF internal service providers will be preloaded into bureaus’ starting point budgets:

- Bureau of Technology Services
- CityFleet
- Debt Management
- Facilities
- Printing and Distribution
- Risk Management (Workers’ Compensation / Insurance & Claims)

**General Fund discretionary and overhead revenues:** CBO will preload all General Fund discretionary and overhead revenues into a single fund center in each bureau. Bureaus are responsible for reallocating these revenues (if they wish) to various fund centers, functional areas, projects, etc. Please remember to reduce the discretionary and overhead amounts in the preloaded fund center if you reallocate these resources.

Note: In FY 2020-21, bureaus may want to start thinking about how revenues should be allocated to align with Program Offers. Currently, it is not required that functional areas balance by revenues and expenditures, and this will continue to be the case in FY 2020-21. However, bureaus should anticipate starting in FY 2021-22 to produce balanced Program Offers, which would require that revenues and expenditures balance at the 6 character functional area level.

### ***How to Make Changes within the Base Budget***

With the transition to BFM and Program Offers, there are several changes from prior years:

- Bureaus can make changes within their base budget allocation using the technical adjustment form. This includes reallocating resources between fund centers, functional areas, and major object categories, including creating new positions. Bureaus should note any significant changes to a program’s base budget within the “Changes to Services” section within the Program Offer narrative.
- Each bureau has one single technical adjustment for their entire base budget.
- Changes to existing employee allocations and assumptions should be made through the PCF module (Employee Maintenance). If bureaus do not make allocations in PCF, program offer reports will not accurately reflect correct FTE.

The sum of a bureau’s starting point budget, PCF adjustments, technical adjustments, capital adjustments, and decision packages become a bureau’s Requested Budget. You can view a summary level of each of these changes in the Budget Tracking report, which replicates the previous Budget Tracking spreadsheet view from BRASS.

## ***Making Personnel and Staffing Changes***

Bureaus can adjust personnel costs in BFM through a number of methods. Personnel costs are largely changed through PCF in employee maintenance or in a decision package. Please refer to the [Personnel Budgeting appendix](#) for details.

### ***Cost of living adjustments (COLA)***

COLA refers to both a percentage increase in salary level and a projected increase in health benefit costs. General Fund and non-General Fund bureaus estimate and budget for COLA differently.

**General Fund bureaus:** The City Budget Office calculates and budgets COLA for General Fund discretionary backed personnel services expenses and appropriates the aggregate amount into the Compensation Set-Aside Special Appropriation. General Fund bureaus that have personnel services expenses backed by other revenue sources should enter estimates for COLA in your bureau's technical adjustment form using the Expected CPI-W for COLA (wage and salary) and the Health & Dental Increases rates in the Budget Assumptions section. These estimates should be budgeted in personnel service's commitment item.

COLA appropriation and determination:

- The Compensation Set-Aside amount for each bureau is calculated using the 20239 Projection in PCF. The 20239 Projection includes cost of living adjustments and projected health benefit rates for the budget year. The difference between the 20239 Projection and the V51\_Base snapshot is then multiplied by the percent discretionary within that bureau (total ongoing discretionary divided by total revenues from current year Adopted Budget). The result is what is included for the bureau's Compensation Set-Aside amount for the budget year.
- As part of the Spring BMP process each year, CBO recommends what additional appropriation, if any, is needed by General Fund bureaus, to adjust for COLA. As needed, appropriation is transferred to the bureaus from the Compensation Set-Aside. Until that transfer is made, General Fund bureaus' projected spending may be projected to exceed their personnel services budget by a small percentage.

**Non-General Fund bureaus:** Non-General Fund bureaus may enter estimates for COLA in a technical adjustment form using the Expected CPI-W for COLA (wage and salary) and the Health & Dental Increases rates in the Budget Assumptions section. COLA for non-General Fund bureaus should be budgeted in commitment item 571110 - salary adjustment contingency. Bureaus may also use the 20239 Projection in PCF to assist in its projections for these costs. Report C1 displays what personnel costs are currently projected, what the costs would be with COLA, and the last column displays the difference. Note- this report will not show any personnel costs input in a technical adjustment form.

## *How to Budget Revenues and Expenses*

With the exception of entering data into decision packages, bureaus should make all other changes to revenue and expense commitment items using the technical adjustment or project forms. These entries include:

- Personnel services expenses not calculated by PCF (overtime and some premium pay), including merit pay for non-represented employees
- External materials and services
- Bureau-to-bureau interagencies and cash transfers
- Capital outlay
- Fund-level activities (debt service, contingency, ending fund balance)
- Revenues

## *Technical Adjustment Forms*

The Technical Adjustment form in BFM is similar to the Technical Adjustment form in BRASS. In this form, you will build all base revenues and expenditures, with the exception of the following:

- Existing staff costs (automatically imported through PCF, with the exception of merit)
- Capital and operating project costs (input in the Project Form)
- Requests for allocations above base budget (input in the Decision Package form resulting from a Direction to Develop)

A single technical adjustment form has been populated for your bureau, and you will have access to this when you log in to BFM. With the exception of OMF, bureaus will only have one form to input all data. Multiple users can be in and editing the form at one time.

The form in BFM has been pre-loaded with prior and current year data. CBO also previously provided your bureau with a “template” that would allow you to construct your budget offline and import this data into BFM after go-live. Please see the [uPerform module](#) for how to edit the data using either option. Like the Technical Adjustment form in BRASS, you should enter the changes to each line to populate the FY 2020-21 Base Request.

### Two important things to remember:

- **Deleting master data:** In BFM, lines with master data cannot be deleted from the form. Instead, zero out the dollar amounts if that line is no longer applicable (i.e. you do not want to have any dollar amounts budgeted in that particular fund, fund center, functional area, and commitment item).
- **Funded program codes:** In BRASS, the “funded program” field in master data was used for transfer codes, project codes, and interagency agreement codes. In BFM, project codes have their own master data field, and budget data for projects should be entered in the Project Form described below. The “funded program” field in the Technical Adjustment form should **only** be populated with transfer codes or interagency agreement codes if applicable.

## ***How to Budget Interagency Agreements and Cash Transfers***

**Service provider:** The service provider is the agency that receives payment in exchange for services and/or goods provided.

**Service receiver:** The service receiver is the agency that buys a service and/or goods from another agency.

### **Interagency Commitment Items and Funded Programs**

Each interagency type has a specific set of commitment items and a specific funded program structure. **The providers and receivers use the same funded program for both the expense and revenue side of the transaction.** For interagency funded programs (those starting with a 3 or 7), please only assign the funded program to the commitment item lines related to the interagency (commitment items starting with a 65 or 64).

It used to be the case in BRASS that interagency agreement funded program could conflict with the funded program for individual capital or operating projects. This is no longer the case. In BFM, there is now a column to input a project code in addition to a column for the funded program. In cases where an interagency agreement supports a particular project, both the interagency agreement funded program and the project code fields should be completed.

**Bureau-to-Bureau interagencies:** use funded programs that begin with the number 7, followed by the 2-character provider code, the number 2, the 2-character receiver code, and ending with '0001' (e.g. 7WA2ES0001). Bureau-to-Bureau interagencies use commitment items starting with '652' on the receiver side and '642' on the provider side.

**Internal Service interagencies:** use funded programs that begin with the number 3, followed by the 4-character provider code, the number 2, the 2-character receiver code, and ending with '01' (e.g. 3MFTS2WA01). Internal Service interagencies use commitment items starting with '651' on the receiver side and '641' on the provider side. The first four characters of an internal service commitment item also identifies the provider:

6511 – CityFleet Services

6512 – Printing and Distribution Services

6513 – Facilities Services

6515 – Technology Services

6516 – Risk Management Services (Workers' Comp / Insurance & Claims)

### **Cash Transfer Commitment Items and Funded Programs**

Cash transfers use funded programs that begin with the number 1, followed by the 4-character code for the fund transferring the cash, the number 2, and ending with the 4-character alpha code for the fund receiving the cash (e.g. 1GENF2TRAN).

- Cash transfers use commitment items 650010 and 640010 for General Fund Overhead transfers, and 650020 and 640020 for all other cash transfers. The '65' commitment

items are used by the fund transferring the cash and the '64' commitment items are used by the fund receiving the cash.

- Note: Capital project funded programs cannot be used to balance cash transfers.

**Before budgeting or expensing cash transfers to or from a bureau residing in the General Fund, please contact your CBO analyst.** Cash transfers are treated differently depending on whether they transfer General Fund discretionary resources or not.

- Transfers out of the General Fund, if backed by discretionary, will either be sent from MFFM000004, or directly from the bureau, depending on the circumstances.
- If the transfer is backed by external bureau revenues, then it can be transferred directly from the bureau's fund center.
- Similarly, any cash transfer into the General Fund needs to be identified in advance to determine the source of the funds. Depending on the source, the cash transfer may be sent to MFFM000002 (with an equivalent increase in contingency or the bureau's discretionary resources) or it may be sent directly to the bureau's fund center.

Cash transfers may not be used:

- To carry over General Fund resources (discretionary or not) outside of the normal General Fund carryover process
- To pre-fund projects outside of the General Fund. Bureaus should set up interagencies with the bureau providing the services and transfer funds on a reimbursement basis. If the project crosses fiscal years, any remaining funds at the end of the year will fall to General Fund balance or can be requested as General Fund carryover in the Spring BMP.

### **Changing interagency and cash transfer agreements in BFM**

Interagencies and cash transfers can be adjusted via technical adjustment forms in BFM. Communication between the service providers and receivers concerning the funded programs and commitment items used, and the amount of the agreement, is essential. Both service receivers and providers should monitor changes to interagencies and cash transfers using BFM Interagencies reports (i.e. IA- Internal Service Agreement and Cash Transfers reports). Information on internal service rates and charges can be found in "links" dropdown menu in BFM, on [OMF's website](#), or by contacting OMF-Business Operations.

### **Balancing interagency and cash transfer agreements**

All base budget interagencies and cash transfers should be balanced by the deadlines stated in the Important Events and Dates section above. If the partner and receiver bureaus are unable to come to agreement on the amount of the interagency or transfer, CBO will remove both sides of the transaction from BFM. To check your base budget interagencies, run the BFM IA- Internal Service Agreement report. In some cases, decision packages will increase or decrease interagency amounts on the provider or receiver side. These adjustments are not required to be in balance until the Proposed Budget. However, please notify your CBO analyst prior to submission.

## *Project Forms*

The Project Form should be used to budget all revenues and expenditures related to capital and operating projects, with the exception of any costs associated with decision packages.

- Bureaus will budget five years of project budget data through bulk data imports (i.e. multiple projects can be budgeted in a single form), project information stored in SAP will be automatically pulled into BFM, and bureaus will be expected to provide the same type of information as in prior years.
- When budgeting revenues and costs for a project, if a bureau chooses to also budget to an interagency, it is necessary to communicate with the other bureau so both sides of the transaction use the same project code and funded program.

## *How to Budget Capital Projects*

The City of Portland's five-year Capital Improvement Plan (CIP) budget implements the City's policy of preserving its current physical assets and planning for future capital investments. The CIP budget provides details on City projects which support and enhance the delivery of basic services and infrastructure improvements. These projects reflect the bureaus' prioritization of capital replacement and enhancement projects, estimates of project costs, and identification of funding sources.

The CIP is designed to recognize the balance between the City's capital requirements and its ability to fund such requirements. It includes both short-term capital financial planning for the upcoming budget cycle and long-term capital financial planning encompassing a five-year horizon. The capital budget addresses:

- Expansion of economic activity and development
- Maintenance of existing infrastructure
- Response to community needs for capital services

## **Providing Project Information**

Unlike most other forms in BFM – you will be providing project qualitative information in a separate location from the budget data.

All expenses and revenues related to projects are entered in the project form. **This form is largely the same as the capital form in BRASS with two exceptions:**

- Project and Funded Program are now two distinct columns so that bureaus can track expenses related to interagency agreements in a more detailed manner
  - In order for data to upload correctly to SAP, bureaus **must** make sure that all IAs are balanced by project. While BFM allows for detailed planning, SAP still has a single column for funded program. Thus, CBO must re-combine the budget data to a single column in order to upload the budget from BFM to SAP.
    - If there is a cash transfer code and a project code, the cash transfer is used as funded program
    - If there is an IA and a project code, the project code is used as funded program

- If there is *only* a cash transfer, IA, or project code then the budget is uploaded using the identified data as the funded program
- Out-year operations and maintenance are now entered on the project form using the following new “fake” commitment items: 563ONG & 5631TM.

In addition to BFM entries, bureaus need to maintain accurate and timely capital project data within [www.Portlandmaps.com](http://www.Portlandmaps.com). Project updates should be completed on at least a quarterly basis. Special attention should be given to the project status and estimated completion date.

Step-by-step directions for entering required information is available in [uPerform](#) under Project Budget and Project Info. The definitions of required fields are as follows:

Attributes Tab	
Description	Populated by user in BFM. Includes the narrative used to describe the project for reporting and budget document publishing. Narrative for existing projects (used in the budget last year) should already be populated and edited for content and grammatical errors. If the project is new, the description field needs to be populated with a description of the project.
Revenue Source(s)	This was previously included as a last line of the project description. Moving forward this will be called out separately. All capital projects are required to identify the revenue source(s) in the available text box. The general public may not understand the mix of resources that bureaus use to fund projects. Some infrastructure bureaus have significant external revenues sources that drive what is included in the CIP. Identifying the revenue source(s) will help the community understand why specific projects are included in the CIP and others are excluded.
Description Tab	
Pub Name	Populated by user in BFM and is the name used in the budget document. Please enter a readable name that you wish to be displayed in the budget document. This field will <b>not</b> be overwritten with SAP data.
Original Cost	Includes the amount entered in the total project cost field in the first year the project was appropriated or had actuals. This amount will be frozen in the system until the project is no longer included in the CIP. The amount can only be changed by CBO.

\$ for Green	<a href="#">Populated by user in BFM. Identifies the dollar amount that is going towards green streets.</a>
CGIS Project #	This is space for bureaus to input CGIS codes at their discretion
Project Total	Populated by user in BFM. Identifies the full cost of the project, including life-to-date expenses as well as expenses expected beyond the five years captured in BFM (printed as Total Project Cost in budget document). Unlike the original project cost field, this field can and should be continually updated throughout the life of the project.
\$ for Art	<a href="#">Populated by user in BFM. Identifies the dollar amount that is going to art, per Title 5 of City Code. These amounts are included in the Budget Overview section of the budget document.</a>
<b>Groups Tab</b>	
Publish	Populated by users in BFM. All projects with budget or actuals in the current year (but not in the budget year of the five-year plan) should be set to “No”
New Project	All new projects in the CIP need to be flagged as ‘New’. The definition of a ‘New’ project is one which was not published in the previous year’s Adopted Budget CIP (printed in budget document)
Confidence	All projects that are set to publish in the CIP are required to submit a confidence level pertaining to the budget amount of the project (printed in budget document). See the confidence level table below for definitions of the levels

Users are encouraged to run the Capital Projects QC report to identify which projects are missing important narrative information. This report can be found in BFM Reporting→Budget Development→Capital Projects QC.

### Definition of Capital

A capital asset is a tangible or intangible asset having significant value that is used in operations and has an initial useful life that benefits more than a single CAFR reporting period. Capital assets include land, land improvements, buildings, infrastructure, leasehold improvements, equipment, software, and construction in progress. Definitions for these categories are included in the glossary at the end of this manual. Asset capitalization thresholds have been established as follows:

- Land and Buildings – none
- Improvements – \$10,000

- Infrastructure – \$10,000
- Leasehold Improvements – \$10,000
- Equipment – \$5,000
- Computer Software Developed or Obtained for Internal Use – \$5,000

### City Assets

The CIP will reflect the projects involving either existing City assets or projects that result in City assets. Projects that are located in the City but are not either an existing or future City asset should not be included. If there is any question as to whether a project should be included in the CIP, please contact your CBO analyst.

### Project Threshold

All capital projects that have a total project cost of \$500,000 or greater are required to be budgeted individually in BFM (i.e. they must have a distinct capital project funded program). The intent of the threshold is to break up project ‘roll-ups’ that currently group projects into single large expenditures that are not easily understood by the public. Significant individual projects need to have distinct descriptions and budgets to allow for a more informative budget document. Bureaus that already budget at a lower threshold should maintain their current level of budgeting. An exemption is given to “ongoing” or “programmatic” projects as defined by the bureaus and approved by CBO.

### Confidence Level Reporting

Confidence levels are captured in BFM (see above) and displayed in the capital project detail pages of the Requested and Adopted Budget documents. Confidence levels are defined as follows, per [ADM 1.13](#):

<u>Confidence Level</u>	<u>Definition</u>
Complete	<ul style="list-style-type: none"> <li>• Final payment made</li> <li>• Post project assessment completed</li> <li>• Total project costs reported</li> </ul>
Optimal	<ul style="list-style-type: none"> <li>• Project scope clearly understood &amp; well defined</li> <li>• Clear understanding of materials, size &amp; quantities needed for job</li> <li>• Schedule &amp; site conditions understood</li> <li>• Project estimate unlikely to change (generally at 90% design)</li> <li>• Total project contingencies range between 10% to 15%</li> </ul>
High	<ul style="list-style-type: none"> <li>• Project scope nearly complete but still subject to change (70% to 90% design)</li> <li>• Materials, size &amp; quantities defined but subject to minor changes</li> <li>• Schedule understood</li> </ul>

	<ul style="list-style-type: none"> <li>• Total project contingencies may range between 20% to 30%</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>• Project scope defined but lacks details</li> <li>• Project specifications incomplete (60% to 70% design)</li> <li>• Total project contingencies may range between 30% to 40%</li> </ul>
Low	<ul style="list-style-type: none"> <li>• Project scope is a conceptual “vision” with limited detail</li> <li>• Project cost is an educated estimate - limited technical information available</li> <li>• Specifications still in infancy stage (less than 50% design)</li> <li>• Total project contingencies may range up to or exceed 50%</li> </ul>

### **Percent for Art Eligibility Form**

[Percent for Art eligibility forms](#) for each capital project will be submitted at the same time as a bureau’s Requested Budget submission, but they will no longer be sent to CBO. OMF now has a City Arts Manager, Giyen Kim. Bureaus should email Percent for Art Eligibility Forms to [Giyen.Kim@portlandoregon.gov](mailto:Giyen.Kim@portlandoregon.gov). The forms still are available on the CBO website, and will be reviewed by the City Arts Manager for accuracy and then forwarded to the Regional Arts and Culture Council (RACC).

### **How to Allocate Internal Bureau Overhead**

The treatment of *indirect* administrative costs poses a challenge in program offer budgeting. Due to past practice and specific circumstances, there are likely to be inconsistencies in how bureaus budget administrative costs. It is expected that it will take several budget cycles to reach consistency in how these costs are budgeted.

In deciding how and where to allocate an indirect/administrative cost to a program, bureaus should consider these questions whether allocating this administrative cost be useful in understanding both (1) what type of resources support the program and (2) how much resource is necessary for service provision. For full recommended details, please refer to the Budgeting [Administrative Costs in Program Offers](#) guidance on CBO’s website.

With the implementation of SAP, multiple cost allocation commitment items were created to allow bureaus to move overhead costs around within their bureau at a more generic level. For example, a bureau may want to allocate expenses related to the Director’s Office across all programs. Allocation commitment items allow the bureau to capture the total costs (personnel services, materials & services, etc.) of the Director’s Office in one fund center, but also allocate the costs using debit and credit entries in an allocation commitment item. The example below moves the costs in the Director’s Office to Customer Services using the bureau overhead account.

	Director's Office	Customer Services
Personnel Services (511100)	\$30,000	\$0
External M&S (549000)	\$10,000	\$0
Bureau Overhead (601020)	(\$40,000)	\$40,000
Total	\$0	\$40,000

Bureaus are free to allocate costs using any of the commitment items below:

- 601XXX – Overhead Allocations (rolls up to internal M&S)
- 610XXX and 619XXX – Labor Allocations (rolls up to personnel services)
- 620XXX – Equipment Allocations (rolls up to internal M&S)
- 629XXX – Bureau Services Allocations (rolls up to internal M&S)

Bureaus should note that, because these accounts roll up to Internal Materials & Services, allocating costs within the bureau and across funds, fund centers or programs, there are situations when the total for internal materials and services will show negative for that cost object.

### ***How to Budget Grants***

The Grants Fund serves as the central fund for all federal, state, and private financial assistance received by the City, including grants, contracts, and cooperative agreements. The City also receives funds from two federal entitlement programs, HOME and the Community Development Block Grant (CDBG), which are budgeted in separate funds. All grant revenues and expenses are tracked in the Grant Funds (sub-funds) or these entitlement grant funds. Grant match is budgeted in the bureaus operating fund, not in the Grants Fund.

According to Local Budget Law, a grant should be budgeted if the award can be reasonably estimated prior to approval of the budget. City practice requires receipt of a letter indicating the grant will be awarded, or an actual grant award and acceptance by Council, prior to inclusion in the bureau's budget.

Typically grants are awarded to the City in the middle of the fiscal year. When the City receives a grant award mid-year, the bureau will complete an ordinance to accept the grant and amend the current year budget. There is a directive in the ordinance that breaks down the cost objects for budgeting. After the ordinance is passed by Council, the Grants Office will input the budget in SAP. If a grant crosses multiple fiscal years, the Grants Management Division will work with the bureau to decide on the amount of funding to be budgeted in the current fiscal year.

Bureaus should determine if they have active grants that will carry forward into the new fiscal year. The information can be obtained by contacting the Grants Management Division and requesting a list of grants and balances or by running the Business Objects Available Grant Funds Report. The Available Grant Funds Report will provide the current balance remaining on

the grant and bureaus should project the expense for the remainder of the fiscal year and budget the balance remaining. All grants that cross fiscal years should be included in the Adopted Budget.

New in BFM, there is a dedicated “Sponsored Program” master data field that should be populated for each budget line that includes a grant cost. This information is required by the Grants Management Division; please contact the GMD or your bureau grant analyst(s) if you need any assistance in obtaining the correct Sponsored Program code or have questions about the Sponsored Program master data in SAP.

## Grant Definitions

**Intergovernmental grant:** Generic term that means financial assistance received from either state or federal sources. The definition of “Federal Financial Assistance” taken from the Code of Federal Regulations as follows:

*Federal Financial Assistance means assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities and other financial assistance. Federal financial assistance also includes assistance that non-Federal entities receive or administer in the form of loans, loan guarantees, interest subsidies and insurance.*

**Grant Award:** The amount of financial assistance received from outside sources. Some grants require that grant funds be matched proportionately by non-grant funds or that the grantee participate in the cost of the project. For example, a bureau enters into a grant agreement to refurbish a community park and will receive a \$100,000 federal grant to do so, but it must provide a 1:1 or 50% match. Therefore, the bureau would need to spend a total of \$200,000 to receive reimbursement from the grantor agency of \$100,000.

- **Cash match:** The term “cash match” is used to denote any match requirement that involves cash outlay, e.g., the City pays the program manager’s salary and benefits, and any materials and services required to accomplish the project. In this case, money is changing hands in that the City is paying for these expenditures.
- **In-kind:** The term “in-kind” is used for third-party non-cash contributions, e.g., donated telephones, office space, volunteer time that is not reimbursed or any situation where no money changes hands. As a rule of thumb, if an actual cash outlay is required (e.g., the City pays salary and materials and services) the match is not considered in-kind.

**Direct reimbursement:** The amount of financial assistance that the City expects to receive to cover direct project costs.

**Federal indirect reimbursement:** The amount of financial assistance that the City expects to receive to cover non-program related centralized services. The City Budget Office develops a Federal Indirect Cost Allocation Plan each year that determines the percentage rate each bureau may charge for indirect on federally assisted grants, contracts, or other agreements with parties external to the bureau (including other bureaus as part of an interagency arrangement).

In January, the City Budget Office will provide bureaus with their base rates. These rates reflect the base amounts, as categorized by functional areas within SAP, in addition to General Fund overhead costs. Bureaus will be asked to review these rates and complete a worksheet for all adjustments.

CBO will prepare an indirect cost rate proposal on behalf of the City. However, a formal, federal review of a bureaus indirect rates will only be conducted if a bureau receives over \$35 million in federal grant awards, per Title 2 of the Code of Federal Regulations Part 200 (2 CFR 200). If this threshold is not exceeded, the City will not submit the proposal for review, but rather, retain the proper documentation in case it is ever requested.

CBO will continue to coordinate the process and prepare the documentation for the rate proposal; however, bureaus are now asked to complete the certification form, which indicates that the indirect rates were developed according to the federal guidelines. This form should be signed by your bureau's finance manager or bureau director.

Please contact Jess Eden with any questions.

## Decision Package entry in BFM

Detailed directions for how to complete a decision package in BFM is available on [uPerform](#). Unlike in BRASS, there is only one form with different tabs that will be completed for each decision package.

### *Header Tab*

*You will be asked to:*

- Provide a description of the package.
- Articulate the expected service impacts of the package;
- Analyze the equity impacts of the package; and
- Indicate whether or not this package represents a new activity.

Please address the following as applicable:

**Problem statement:** What is the problem being addressed? What is the “business case” for addressing this problem?

**Explanation of costs & service delivery:** Please describe the service delivery model, including organizational structures, FTE, budget information, and performance measures.

**Impact:** What are the expected results/outcomes of the request? Please refer to impact on performance measures and KPMs as appropriate, as well as identify equity implications: which populations will be impacted, in what ways, and how will you know? (For more detailed questions, please see the [FY 2020-21 Budget Equity Tool](#).)

**Assumptions:** What are the assumptions and estimates used in describing the expected results/outcomes?

**Measuring outcomes:** Does the bureau(s) have a system in place to track and report on the expected results?

**Alternatives:** What other solutions and funding models were considered? What are the consequences if funding is not approved? Would the bureau(s) prioritize funding for this work within existing resources?

**Regional perspective:** If this is a new project/program, has this been implemented by other local or regional agencies? What were the results?

## **Position Wizard**

The Position Wizard will walk you through the process of adding new positions. Please review the [uPerform tutorial](#) for a step-by-step guide.

## **Budget Tab**

Budget data lines are entered in the budget tab in BFM. The tab includes the option to identify one-time, ongoing, and estimated out-year costs for each budget line. Key changes include:

- When adding new master data elements, you can search either by code or by name to find the correct items.
- Budget lines with the same master data – the same fund, fund center, functional area, funded program, project code, and grant – will sum together when saving even if you add lines separately.
- BFM has a reference table for functional areas that are part of the overhead model. When budgeting in the General Fund, the table will automatically apply the overhead commitment item when you hit the “calc” button.

## **Attachments Tab**

Users can upload attachments to accompany decision packages. This is a great way to proactively share additional data, charts, images, or other background documents. Please note that this should *not* be used as a substitute for the narrative provided on the Header tab, but only to provide supplemental information. These attachments are not printable. Bureaus should note that any information included in the Attachments tab will not publish in the requested or adopted budgets; this function should be used to archive relevant information and share information with your CBO analyst.

## **Equity Form Entry**

The form is relatively new and there is not currently a uPerform available; however, this form functions very similarly to the Program Offer Description form. The Equity Form has text boxes for end users to enter narrative information and assign any performance measures for the bureau that directly speak to equity.

Users will create a single form for the entire bureau,<sup>2</sup> except for the Office of Management and Finance (OMF).

### ***Header Tab***

On the header tab, bureaus will provide the following information:

- **Requested Budget and Racial Equity Plan Update** ~ Question 1
  - How does the Requested Budget advance the achievement of equity goals as outlined in the bureau's Racial Equity Plan? Bureaus are required to specifically note the ways the Requested Budget benefits or negatively impacts Indigenous people, Black people, immigrants and refugees, and people of color.
- **Requested Budget Community Engagement** ~ Question 2
  - Describe how the bureau engaged with communities to develop the requested budget, particularly with Indigenous people, Black people, people of color, immigrants and refugees, multilingual, multicultural communities, and people with disabilities.
- **Base Budget Constraints** ~ Question 3
  - What insufficiencies in the base budget inhibit the bureau's achievement of equity or the goals outlined in the Racial Equity Plan?
- **Notable Changes** ~ Question 4
  - The bureau is required to describe notable changes to bureau wide equity efforts, mandated or otherwise, that are new for the upcoming budget year. Please note how the bureau plans to operationalize the new initiative and collect relevant data.
- **Link to the Bureau's Racial Equity Plan**
- **Name and Contact Phone for the Equity Manager**

### ***Equitable Engagement***

On the equitable engagement tab, bureaus will provide the following information:

- **ADA Title II Transition Plan (if applicable)** ~ Question 6
  - Describe the plan.
- **Accommodations** ~ Question 7
  - Detail allocations in the bureau's budget meant to address the requirements of ADA (Americans with Disabilities Act) Title II and Civil Rights Title VI.
- **Hiring, Retention, & Employment Outreach** ~ Question 10
  - Describe how the bureau supports employee equity in hiring, retention, and inclusion, particularly for Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities.
- **Capital Assets & Intergenerational Equity** ~ Question 8

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<sup>2</sup> OMF should create a new form for each Division and the form [Division] Budget Equity Tool

- Describe how the bureau manages capital assets with respect to intergenerational equity. Detail how the assets are maintained so as to NOT place financial burdens on future generations.
- **Contracting Opportunities** ~ Question 11
  - If applicable, describe specific efforts to create contracting opportunities for disadvantaged, minority, women, and emerging small businesses.
- **Equity Manager Role in Budget Development** ~ Question 5
  - If the bureau has dedicated equity staff, describe the ways that person is involved in budget development and monitoring.

## ***Service Outcomes & Data***

On the service outcomes & data tab, bureaus will provide the following information:

- **Data Tracking Methodology** ~ Question 9
  - Describe how the bureau uses quantitative data that are disaggregated by demographics, to track program access and service outcomes for different populations.
  - Include all data sources.
- **Relevant Performance Measures** ~ New ~
  - If the bureau is currently tracking performance measures that directly speak to equity, they can be attached by assigning the performance measure to the form.

## ***Attachments***

If the bureau would like to attach additional documentation, please use this tab.

## **How to Request Funding from Capital Set-Aside**

For the past several years, the City Budget Office has used the Capital Set-Aside validation tool to evaluate, compare, and prioritize asset needs across bureaus and asset types. For FY 2020-21, the General Fund capital set-aside process has shifted away from this tool. CBO has been working in partnership with the City’s asset managers to develop a methodology and new tool that shifts away from a risk x likelihood framework and toward a business case evaluation approach.

Like previous years, bureaus that wish to request funds from the capital set-aside as part of the budget process should complete the following steps:

1. Bureaus can submit any number of projects up to \$8M total (no limit to the number of projects)
2. Complete a decision package form for each request that is titled using the naming convention “Bureau Name Capital Set Aside Request”, e.g. TR Capital Set Aside Request.
3. Submit the [Benefit Cost Analysis tool](#) (BCA tool) and [Project Summary Form](#) with budget submissions on January 29, 2020 to Shannon Fairchild at [Shannon.Fairchild@portlandoregon.gov](mailto:Shannon.Fairchild@portlandoregon.gov)

Bureaus with a large number of projects may wish to group requests or want more than one decision packages to request capital set aside funding. Bureaus that need guidance or assistance with the BCA tool should contact **Shannon Fairchild** directly.

## Section 4

# **Program Offers: Narrative & Technical Guidance**

## Program Offers

In FY 2019-20, the City of Portland transitioned to a “program offer” budget. Program offers combine program descriptions, budget, and performance data for a set of services into a brief and concise document. The goal of program offer budgeting is to succinctly describe how bureau resources are allocated to deliver services back to the community.

Changing to program offer budgeting marks a transition from prior practices and requires new ways of thinking about how budgets are developed and how this information is shared with the community. It is expected that it will take a couple of years to fully and accurately build requested budgets in this new framework.

In the first year, CBO asked bureaus to focus on providing a clear and concise program description for each program so that Council and the public can easily understand how resources are aligned to achieve service goals. **For FY 2020-21**, many bureaus are refining the organization of their programs to ensure the programs adequately and clearly capture core activities. In addition, bureaus are continuing to hone program descriptions, with the goals of ensuring that the language a) is accessible to a broad audience, b) demonstrates how the program’s resources work toward performance and service goals, and c) is concise so that the key points are easily understood.

This document includes guidance on the five primary sections of the Program Offer as they appear in the budget document:

1. Program description and goals (Header tab)
2. Explanation of services (Header tab)
3. Equity Impacts of the Program (Service Outcomes tab)
4. Changes to the Program (Header tab)
5. Program Budget (Program Budget tab)
6. Performance Measure Table

### ***Section One: Program Description and Goals***

Bureaus should use this section to describe the key goals of a program, using performance measures and other data to quantify the effectiveness. Highlighting performance trends and key outcomes is recommended. Questions to consider when drafting this narrative include:

- What are the key performance trends of the program? Have results changed from previous years? How do results compare to strategic targets?
- What data indicates that this program is successful?

### ***Section Two: Explanation of Services***

This section should explain why this program exists and why it is important, focusing specifically on how resources and activities are used to achieve program goals:

- **Defining the context.** Bureaus should begin by describing the need for a program. Which problem exists that demands a City of Portland service? Why is this particular service in demand from Portlanders and customers?

- **Description of activities.** This section should explain how the program activities are intended create positive impact or address an identified issue or problem. Why is this program best suited to address this need? What are the direct results of program activities? How much work is required for these results?
- **Program results.** This section should explain how program results (or “outputs”) impact the intended audience. In what ways is the intended audience better off as a result of the program activities? How much better off is the intended audience (relative to if the program did not exist)? Why are the outcomes important?
- **Community engagement.** In what ways are community members, particularly people from communities of color and people with disabilities, involved in determining the bullet points above? Have any changes been made as a result?

### ***Section Three: Equity Impacts***

Bureaus should use this section to describe how programs benefit and/or burden communities of color and people with disabilities; ideally, this analysis should note the impact on specific populations within these broader communities. Moreover, bureaus should use this subsection to clarify how resources could be reallocated within the base budget in order to achieve more equitable outcomes. Bureaus will provide detailed, bureau-wide analysis as part of the Budget Equity Tool (now submitted through the Equity Impact Form); this section is intended to provide information specific to each program offer to help facilitate Citywide reporting of equity impacts. Considerations may include:

- **Equity in service levels and outcomes.** Does the bureau track disaggregated quantitative data or collect qualitative information about how communities of color and people with disabilities access and experience services?
- **Reallocation of base resources:** Has the bureau made significant internal realignment and reallocation of existing base budget resources to achieve more equitable outcomes?
- **Accommodations.** As applicable, please note how this program will meet the requirements of ADA (Americans with Disabilities Act) Title II and Civil Rights Title VI, specifically: translation, interpretation, video captioning, other accommodations; translation of essential documents into safe harbor languages, and engagement efforts with multilingual and multicultural communities.
- **Impact of changes.** If there are changes noted in the section below, how/do these changes (positively or negatively) impact the community? Is this impact different (positively or negatively) for communities of color or people with disabilities?

### ***Section Four: Changes to Program***

Bureaus should use this section to describe how a program is being impacted due to changes in external factors, the environment, and increases or decreases in resources/staffing.

- **Changes due to external factors.** How have the external factors or environment in which the program operates changed since the prior year? How has the demand for program services changed?

- **Changes to resources.** How has the reallocation of bureau resources to the program changed as compared to prior years? If this program has been impacted by prior year reductions, or other significant internal reallocations, this section should describe the change in resources, the reasoning for this change, and the expected impact.
- **Changes to organizational structure.** In what ways has organizational structure or activities of the program changed over the past year? What are staff doing differently to achieve their goals?
- **Sunsetting programs.** If the bureau submitted a program offer in FY 2019-20 that will no longer be captured the same way in FY 2020-21, the bureau must indicate in the Changes to Program section if these activities now fall under a different program offer.

### Program Realignment vs. Program Reduction

It is important to delineate between a true program reduction as compared to an internal realignment of resources, especially as bureaus continue to transition into the program offer format. CBO analysts are able to provide further technical assistance if there are bureau-specific questions, and the following are guidelines the CBO will use to assess the difference:

- *Technical realignments*- internal realignments where there is a net neutral effect in the program's base budget and in service levels provided. These changes should be explained in the "changes to program" section of the program offer form. While not formally required, it will assist the CBO analysts in their review of program offers to provide a master data crosswalk using the upload feature in BFM.
- *Programmatic realignments*- realignments where resources are shifted from one program offer to another, or from one sub-program or activity to another, resulting in the elimination of a program or service and an increase in a different program or service require the more formal decision package review. While the end result is cost-neutral, it is important to highlight significant changes in service levels through the formal budget process. Thus, these types of changes and the resulting service impact must be clearly articulated in the "changes to program" section of the program offer form.

Detailed below are directions and prompts that are intended to help bureaus address and craft each section of the program offer description narrative. To keep the program, offer reports succinct and focused, only a paragraph or two is needed for each section.

Bureaus are required to complete program offers for all budgeted sub-programs (6-character functional area level). Use the Program Description form in BFM to enter program offer narrative. Technical instructions can be found in uPerform; below is additional guidance for development of program offer narratives.

### **Section Five: Program Budget**

This section should describe the program budget and key fiscal constraints according to the following areas:

- **Resources:** Within the 'Program Budget' section, this 'Resources' subsection should describe the primary resources that support the program (e.g. General Fund

discretionary, user fees, interagency revenues), the sustainability of the resources, and prior year/forecasted trends in the resources. If this program receives funding from rates or user fees, how does the current/proposed structure impact different populations' abilities to access services?

- **Expenses:** This subsection should describe the primary expenses of the program, including which types of expenses are fixed, predictable, and necessary as compared to expenses where there is greater discretion. Bureaus should identify the greatest expenses and those expenses which are most critical to delivering program services.
- **Staffing:** This subsection should briefly describe how many staff members are associated with program and the general role of these staff members. This section should also briefly discuss staffing trends. How has staffing changed over the past five years? What are the forecasted staffing needs?
- **Assets and Liabilities:** This subsection should identify the key assets that are owned and/or operated by program, the current condition of the assets, and a summary of the financial plan for repair, renewal and replacement.

### ***Program Offer Length Guidance***

Program Offers are intended to be concise and highly readable documents. Bureaus have requested word limit guidance for each section of the program offer narrative; please use the guidelines below:

<b>Program Offer Section</b>	<b>Word Count</b>	<b>Character Count (no spaces)</b>	<b>Character Count (with spaces)</b>
Program Description & Goals	<100	478	575
Explanation of Services	<350	1851	2191
Equity Impacts	<350	1851	2191
Changes to Program	<150	805	951
Program Budget*	<200	1091	1286
Program Information	n/a	n/a	n/a

\*This averages to 322 characters per section (Resources, Expenses, Staffing, Assets & Liabilities).

### ***Section Six: Using Performance Measures to Describe Programs***

In addition to the program descriptions discussed above, program offers will also include a table of annual performance measure data.

A primary focus of the program offers is communicating the quantifiable outcomes to Council and the public via performance measures. For the FY 2020-21 process, bureaus should first associate existing performance measures to their programs. The budget system offers the flexibility to associate a single performance measure with more than one program and between multiple bureaus.

Because measures can be shared between programs and between bureaus in system, there are often existing performance measures that describe program results, especially “outcome” type measures. However, it may be necessary to create new measures or refine current measures for some programs, especially “output” measures that describe specific program activities.

Over the long-term, the goal is that each program should be associated with multiple measures, including at least one outcome measure and one output or efficiency measure. Achieving this level of performance measurement may take several years, and require additional planning and consultation from program staff and your CBO analyst. For the FY 2020-21 budget, CBO recommends the following guidelines:

- Look to start with quantifiable workload metrics if the program has historically not reported performance measures as part of the Requested Budget submission.
- Be sure to note the confidence level of the data collection methodology (low, medium, and high as defined in the Performance Manual). It is not detrimental to have low-confidence data, this can serve as a foundational point to work towards more robust data collection methods and reporting structures.
- Be sure to check the frequency of reporting and update metadata accordingly.

The City Budget Office has a variety of resources to support measure changes or creation available in the [performance materials](#) section of CBO’s website. CBO’s performance team and analysts are also available for customized workshops to support performance measure, target, and performance reporting system development as needed. Bureaus that wish to create, archive, or modify their performance measures for FY 2020-21 should fill out the [Performance Measure Change](#) form and contact their CBO analyst by January 22, 2019.

## Technical Instructions

### *Creating a Program Offer Form*

Log into BFM and open the Project Description form under ‘Budget Formulation.’ Any program offers that were created in FY 2019-20 will automatically populate for FY 2020-21 in terms of the narrative description. Bureaus are expected to update the narrative information as needed.

- Program Offers from FY 2019-20 **cannot** be deleted. If the program has sunset, or functional areas have changed such that a particular program offer is no longer accurate, bureaus should make sure they have **not** budgeted resources, expenses, or FTE to any of the functional areas that roll up to this program. If programs are sunset, and the resource realigned, be sure to notate in the narrative where the resources are reallocated. Alternatively, the attachment feature will allow for supplemental documents such as a program crosswalk to be uploaded into BFM to assist with CBO review of program offers.
- To create a form, click on the “Add New” button.
- A pop-up window will appear with 10-character functional area codes. While the system was not able to roll the selection window up to the 6-character code, you will notice that – even though you will be selecting a 10-character FA code – only one 10-character option exists to select for each 6-character roll-up. In other words, you should select the

10-character code that corresponds with the 6-character sub-program code you have included in your requested budget. Even though you are selecting one specific 10-character code, the BFM report will know to pull **all** 10-character FA codes associated with that 6-character level. There is a quick search function you can use if you prefer that to scrolling through the list.

- Bureaus will need to provide a name for your form by manually typing into the “Name” field. Bureaus should enter in their two-character business area, followed by the name of the relevant 6-character Functional Area code. It should be noted that this “name” field is for internal purposes only – the name will show up as the form title in your Project Description form homepage but will not be included in the requested budget submission. The Program Offer report that BFM will generate will use the 6-character Functional Area code as the “Program” title. Once you have completed these required fields, select “save.” The form will now appear in your bureau Program Description form homepage.



**The Program Offer form only contains text and check boxes; no budget data is entered into this form.** All budget data for programs will be entered into a technical adjustment form. The Program Offer report will sum budget data at the 6-character level and use this data to populate the budget table.

### ***Adding Narrative to the Program Description***

The “header” in the Project Description form is where you will input your narrative information related to a 6-character functional area program. Select the “header” button on the relevant form and the edit screen will pop up. The window that appears will have three different tabs in which bureaus will provide narrative and qualitative info: Header, Program Budget, and Service Outcomes. (A fourth “Attachments” tab will allow bureaus to upload relevant program documents that can be shared with other bureau finance staff and CBO analysts; however, uploaded documents will be solely for internal purposes and will not be published as part of the requested or adopted budgets.) Each tab will have text boxes that require completion; bureau’s may choose to copy and paste their entries from Microsoft Word.

### ***Tying Related Performance Measures to Your Programs***

In addition to narrative information, bureaus are required to identify performance measures that are impacted by their 6-character functional area code “programs.” This is done by selecting the “Service Outcomes” tab, then selecting “Measure Assignments” button.

- A pop-up window will appear for Measure Assignments. Select the “Add New” button. Click on the magnifying glass next to the Measure field. From here, you can select any performance measure throughout the City to tie to your program. You may use the “Quick search” field to find the measure you are looking for by bureau code, number, or keyword(s) in the measure name.
- Once you select the measure, click on the ‘save’ button. The measure will appear in the Measure Assignments window. You can remove measures from being assigned to that program area either by selecting the “delete” button next to a particular measure you

want to remove, or selecting the “Remove All” button to remove all measures you have identified.

Because one measure may be impacted by more than one 6-character functional area, it is possible to connect one measure to many programs. This can be done by simply ‘assigning’ that measure to each relevant program description form. Notably, this process simply denotes a relationship between the measure and a program area, but does **not** affect the performance measure data. The Program Offer report will include the aggregate data for a performance measure tied to that program, even if multiple programs contribute to a measures’ data. If a measure is impacted by multiple programs, it is incumbent upon the bureau to explain how the 6-character functional area program impacts the measure in the text box field provided in the “Service Outcomes” tab.

Section 5

**Performance: Citywide Framework and Technical  
Guidance**

## Portland's Performance Management Framework

The City of Portland has a strong history of focusing on performance and results. As far back as the early 1970s, the City made efforts to improve performance. Performance measures were first incorporated into the City's budget documents in 1977. Over the last several years, the City Budget Office has been heightening the focus on performance management both in and out of the budget process. All performance measures reported in the City budget are published by service area in an interactive [performance dashboard](#), measure data is incorporated into budget reviews and recommendations, [GATR sessions](#) have fostered better performance in specific areas of interest to the Mayor and Council, and the City's results are formally assessed each year through the annual [Prior Year Performance Report](#).

Thanks to improvements in technology, data collection, and the increased attention of decision-makers to performance outcomes, the City of Portland is increasingly shifting towards governing with data and reviewing the outcomes of its programs – rather than making decisions largely based on instinct and anecdotal evidence. In doing so, Portland is part of a greater movement of forward-thinking governments that are optimizing the power of data to create better results for their communities.

At a fundamental level, an organization with an effective performance management system should be able to answer these questions:

- What did we accomplish?
- How efficiently did we accomplish it?
- What impact did your accomplishments have on the community?

However, even answering these questions represents performance **measurement**: collecting, reporting, and analyzing data. Over the past few years, Portland has made great strides in the City's capacity to conduct performance **management**. Bureaus are setting goals and establishing strategic plans, hiring on management analysts and database engineers, developing data inventories, and investing in new systems and tools for data collection, analysis, and visualization.

This is good news because teams with strong data management and analytics practices will help generate insights for decision makers. But those decision makers must routinely convene to decide which actions are worth taking. To improve results for the community – especially within existing resources – Portland must continue to expand its systems to incorporate the use of this data and evidence.

As part of FY 2020-21 budget development, CBO is making some important changes to the City's performance management framework to facilitate greater use of Citywide performance data. CBO recognizes that most bureaus also conduct performance management to inform program operations and management decisions on a more detailed level. However, a consistent and shared Citywide reporting system is critical to informing budgetary tradeoffs between bureaus or amongst service areas and providing shared information for cross-bureau audiences including City Council, City equity managers and City asset managers. Especially given Portland's commission form of government, a strong Citywide performance management

system is critical to working across traditional organizational silos and serving the community more effectively.

CBO is making three important changes to performance reporting in FY 2020-21 in order to facilitate improved consistency and greater use of performance data in the City. First, bureaus will be reporting measure data on a quarterly basis, in accordance with data availability. CBO will work with bureaus to assess performance and report progress on City priorities to Council in a corresponding quarterly report and interactive dashboard. Second, CBO will conduct a review of each bureau's suite of measures submitted in the FY 2020-21 Requested Budget. This review is to ensure that each bureau has a diverse set of measures that capture the results of core programs and services, and that measures reported by more than one bureau are consistent. Third, CBO will establish a short list of Citywide key performance measures to address gaps or inconsistencies in reporting. These measures will be established via memo in December 2019.

Bureau staff interested in designing the FY 2020-21 quarterly performance report and other ongoing processes may join the Performance Advisory Committee that will be convened beginning in March 2020. Contact [Shannon Carney](#) to participate or to learn more.

### ***Organizational Roles and Responsibilities***

Though the City Budget Office is charged with coordinating Citywide performance management, much like the budget process, performance management is a shared responsibility across the City. Bureaus, CBO, Council Offices, and even the Portland community each play important roles in ensuring that the City is conducting performance management effectively – that is, that the City is making progress towards its priorities, and delivering better results for the community. Here is an overview of each of these roles and responsibilities:

#### *City Bureau Staff*

- Develop performance measures that indicate the success of programs and outcomes of bureau core services;
- Collect/determine performance measure metadata;
- Conduct data collection for performance measures;
- Set annual and strategic targets for performance measures; and
- Report on measure values and metadata as “data owners” (input into BFM).

#### *City Budget Office*

- Support bureau performance measure development and target setting;
- Approve performance measures;
- Ensure consistency of measures, both across bureaus and for individual measures;
- Develop Citywide key performance measures;
- Incorporate performance results into budget recommendations, reviews, reports, and other deliverables to support Council decision-making;
- Provide Citywide reporting of performance measures.

### *Council Offices*

- Work together to set Citywide or service area goals;
- As Commissioners-in-Charge, set bureau goals;
- As Commissioners-in-Charge, approve bureau performance measure targets;
- Review progress on bureau and City performance;
- Alter operations or policy as needed to address performance deficits or support positive results.

### *Portland Community Members*

- Help establish City vision and goals;
- Provide feedback on City services and priorities;
- Provide feedback on bureau measures (through bureau/budget advisory committees);
- Ultimately, hold the City accountable for results.

## **Performance Measure Types**

The City's performance management system has four primary measure types in order to better describe the success of our various programs and services. Bureaus select a measure type for each measure as a metadata field in BFM. Bureaus are considered *data owners* for those measures that they report on in Form 1800.

- **Workload measures** describe a quantity of work performed.
- **Output measures** are things that the bureau "produces". Outputs are activity-oriented, measurable, and usually under managerial control.
- **Outcome measures** answer the question, "Is anyone better off?" because of the program/service. External forces can limit managerial control. This category may include measures of service quality.
- **Efficiency measures** are inputs used per unit of output. They tell at what cost (whether time or monetary) the units were produced.

Each bureau also determines a handful of **Key Performance Measures, or KPMs**, that best represent the outcomes of the bureau's core service delivery. KPMs are typically outcome measures that represent the ultimate policy intent of the bureau rather than results that have a strong degree of managerial control. That said, efficiency measures often make appropriate KPMs, especially for internal services functions. KPMs should be selective, clearly understandable, results-oriented, useful, reliable, and comparable.

Key Performance Measures are important because these measures create a Citywide suite of measures that communicate the City's intended outcomes, and provide Council and bureau leadership with information to guide decision-making. KPMs are especially useful to connect City operations to strategic priorities. New in FY 2020-21, CBO will establish a shot list standardized **Citywide performance measures** that will be added to the City's list of key performance measures. This is to improve the consistency of the City's performance data and fill gaps in areas of reporting. These measures will generally be reported on by a subset of relevant bureaus, however, some measures may be reported on by all bureaus. CBO will issue the list of Citywide key performance measures by memo in December 2019.

When considering the **suite of measures** to report in the Citywide system, bureaus should consider whether the listed measures provide meaningful information as to whether its programs and services are successful. It's important that each bureau have a diverse set of performance measures, in order to provide a balanced view of program accountability and communication of intended outcomes.

**Program offers** also provide a helpful lens from which to consider the bureau's suite of measures. Every performance measure for which a bureau is a "data owner" should be associated with one of the bureau's program offers. Conversely, each program offer should include at least one of that bureau's performance measures. However, it is important to note that program offers can be associated with performance measures reported on by other bureaus. This is especially helpful when associating program offers with outcome-type measures. Additional guidance for associating performance measures to program offers can be found in Section 5.

To improve consistency and completeness of performance reporting, CBO will conduct a review of each bureau's suite of measures in the FY 2020-21 Requested Budget. This review will be completed with feedback provided back to bureaus by February 20, 2020.

To create a new performance measure, archive an obsolete measure, or change a measure title, enter requests into the [Performance Measure Change form](#) and email the form to your CBO analyst.

### ***Performance Measure Reporting***

In FY 2020-21, the City will be moving from collection and reporting of performance data on an annual basis, to reporting performance data on a quarterly basis in accordance with data availability. Convening decision-makers to consider progress towards the City's priorities on at least a quarterly basis is considered best practice for municipal performance management. Regular discussion of City performance fosters a focus on the *results* of programs and services, a focus that can permeate City strategies, process, organizational culture and decisions.

Beginning in FY 2020-21, bureaus will be reporting measure data on a quarterly basis in BFM for all performance measures that are available on a transactional, daily, weekly, monthly, or quarterly basis. CBO will work with bureaus to assess performance on a quarterly basis. CBO will report progress on City priorities to Council in a corresponding quarterly report and interactive dashboard.

Bureau staff interested in designing the FY 2020-21 quarterly performance report and other ongoing processes may join the Performance Advisory Committee that will be convened beginning in March 2020. Contact [Shannon Carney](#) to participate or to learn more.

### ***How to Develop Measures***

Developing performance measures can seem like a challenge if you don't know where to start. This section provides a starting point to help bureaus identify or develop performance measures that capture the mission, vision, and values of the organization. However, it does not replace hands-on assistance. Given the need to develop additional programmatic measures for

FY 2020-21, CBO will offer workshops in January 2020 to aid in performance measure development. Bureaus that would like additional support for identifying meaningful performance measures that align with the Citywide system should contact their CBO analyst for a customized workshop. Below are some ways that bureaus can create a performance measure

### Copy it

Use a measure you like from a peer jurisdiction or industry group. Scanning the known environment of performance measures used in comparable cities is a great way to save time and avoid reinventing the wheel.

Check out these “indicator catalogs” to get started:

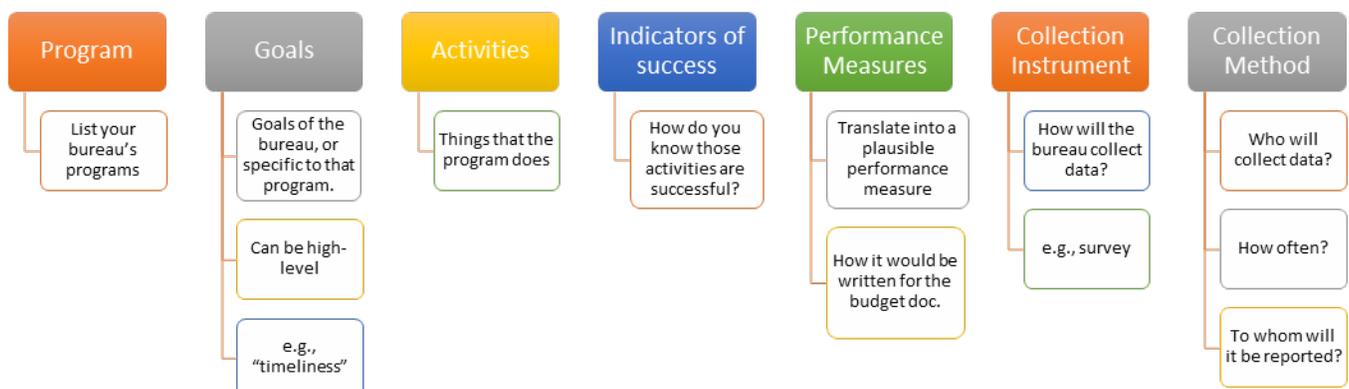
- [Community Indicators Consortium \(CIC\)](#)
- MSRC (Washington state) [Performance measurement resource page](#)
- Gov Ex [Catalogue of Performance Indicators and Metrics](#)

### Map it out

Put a bird on it – Portland’s city services are sometimes unique! So, you may want to use frameworks like the ones below to identify indicators of success that are derived from your bureau or program goals. The first framework may be more useful to drill down at the program level, and provides an accessible roadmap for creating a performance measurement system. The second framework is a logic model that helps connect the mission/vision/values of the bureau to different measure types.

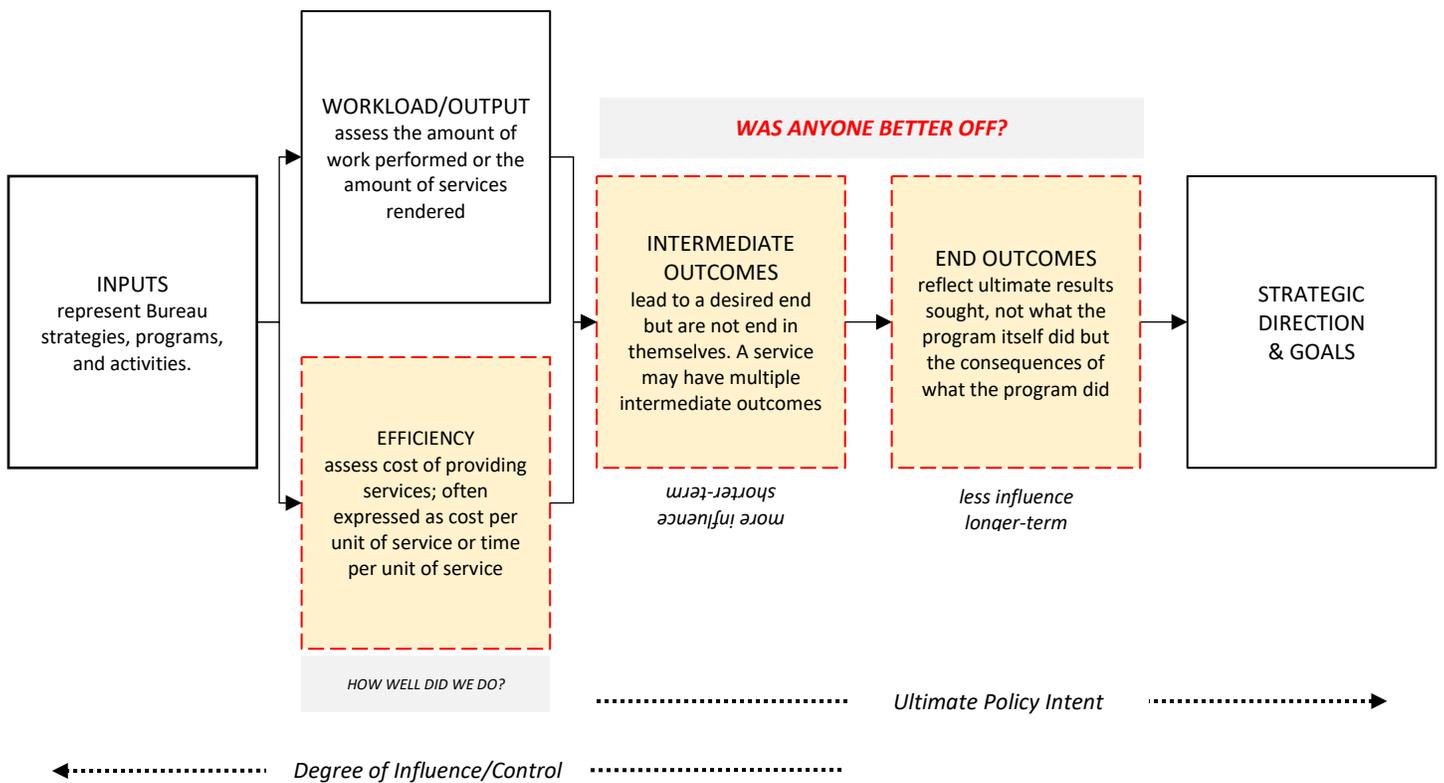
#### Framework One: Developing Program-level Performance Measures

The framework below encourages the measure creator to deconstruct the goals of their bureau programs and prompts them to ask what steps they take to achieve them. From there, they can think of “indicators of success” which can then be re-coded into performance measurements.



#### Framework 2: Logic Model to Demonstrate Cause-and-Effect Pathway

This framework is a logic model that helps connect the mission/vision/values of the bureau to different measure types. It may be more useful to identify bureau and City key performance measures.



### Setting Annual and Strategic Targets

Annual and strategic targets communicate the results that the City expects to achieve for the community in the coming year and over the long term. It is each bureau’s responsibility to set annual and strategic targets for each performance measure.

As a final step for the requested budget submission, performance measure targets should be reviewed each year with the bureau leadership and the Commissioner-in-Charge, who approves the targets as part of the bureau’s requested budget submission. This is to ensure that stated targets reflect the bureau’s intended level of service.

Later in the budget process, bureaus also play an important role in adjusting annual targets to reflect the inclusion of decision package requests. Please see the Technical Instructions section below for detailed guidance on how to set annual and strategic targets.

### Performance Measure Metadata

Metadata is the “data about the data”, and this information is a critical component of City performance measure reporting. Performance measure metadata improves validity of performance data by identifying specific points of contact and offering information about the data including reliability and collection methodology. Metadata also communicates key information about the measure that is not related by the measure title alone. Finally, performance measure metadata promotes the use of performance data both amongst City bureaus and by external community-based and academic organizations.

All City performance measures are published on CBO's online bureau performance dashboard. Much of the contextual information below is published alongside measure values, in order to provide a more transparent accounting of City program and service results. Bureaus should review their metadata for accuracy and complete any necessary updates prior to requested budget submission. In BFM reporting, users can go to Performance Management and run the Performance Metadata Key for a comprehensive report that will display all performance measures as well as directions for updating measures. Specific definitions for each metadata field are noted in detail in the technical instructions for performance measure metadata data entry below.

## Performance Technical Guidance

### *Performance Measure Values Entry*

Bureaus should provide performance measure values for active measures for which they are the "data owners". These measures will primarily be those in which the measure ID includes the bureau's 2-character code. In BFM, this data entry is completed in the Performance Measure form (form 1800) under the Performance Management tab. Bureaus are responsible for ensuring the accuracy of reported performance measure data.

- Under Performance Mngmt >Performance Measure Form>,
- Select Bureau> "Detail">Pencil icon (to the right of the "Justification" column). This opens up columns available for entry.

Use BFM to enter performance measure values for:

1. **FY 2020-21 PM Goal:** This value is the bureau's annual target for the measure. The value represents what the bureau expects to achieve for that particular measure in the coming year, based on known resources contributing to the measure. Bureaus should enter a single performance measure target for each performance measure that will be updated in the proposed and approved stages of the budget process. Note the guidelines for these stages below.
  - a. **Requested Budget:** With the submission of the requested budget, this value should reflect what the bureau expects to accomplish, without factoring in the effects (negative or positive) of requested decision packages – those impacts should be described in the decision package narrative). Annual targets may be influenced by a benchmark or industry standard, but should also be a value that the bureau reasonably expects to achieve with existing resources.
  - b. **Proposed Budget:** Measure target should be updated reflect the estimated impact of any decision packages included in the Mayor's Proposed Budget on a performance measure. These effects may be positive or negative, and should include the impact from all decision packages combined.
  - c. **Approved Budget:** Measure target should be updated reflect the estimated impact of any decision packages included in the Approved Budget on a performance measure.

- 2. Strategic Target:** The strategic target is expected to be relatively stable year to year, but bureaus may update this value as needed. To update, use form 1800 and enter a single number in the same numeric form (decimal, percentage, etc.) as measure value. The strategic target represents the bureau’s long-term level of service goal for the measure, as informed by City administrative code, City or bureau strategic plan, or other policy document.
- 3. Current Year Performance Measure Actuals Reporting:** Bureaus can now report their performance measure actuals on a monthly or quarterly basis in BFM throughout the year to ensure availability of the most recent program results. *In FY 2020-21, performance measure actuals will be reported on an at least quarterly basis, in accordance with data availability.* If measure data is only available annually, then those measures will be updated at the close of the fiscal year. See the table below for instructions on how to report on each measure, based on frequency:

<i>Identified Frequency</i>	<i>CY Reporting</i>	<i>Reporting process</i>
<b>Transactionally</b>	Monthly	Enter a monthly value for the measure in <b>FY 2019-20 PM AP01, FY 2019-20 PM AP02, FY 209-20 PM AP03, FY 2019-20 PM AP04, FY 2019-20 PM AP05, FY 2019-20 PM AP06</b> , etc.
<b>Monthly</b>	Monthly	
<b>Quarterly</b>	<b>Quarterly</b>	Enter data for Q1 in <b>FY 2019-20 PM AP03</b> Enter data for Q2 in <b>FY 2019-20 PM AP06</b> Enter data for Q3 in <b>FY 2019-20 PM AP09</b> Enter data for Q4 in <b>FY 2019-20 PM AP12</b>
<b>Annually</b>	Annually	Enter data for FY 2019-20 actual in <b>FY 2019-20 AP12</b>

- 4. Justification:** This column provides a field for bureau data owners to communicate about measure values to CBO as well as other bureaus that may be associating the measure with their programs. In FY 2020-21, bureaus will be required to provide a brief explanation in this field when reporting on each key performance measure. Entries are saved (not overwritten) and the audit trail of measure notes may be retrieved through BFM reporting.

**NOTE:** The following columns are locked in BFM as the data was due at an earlier stage or prior budget process. If bureaus wish to update data for these or other historical data, please contact your CBO analyst:

- FY 2018-19 Performance Actuals (PY1\_Actual)
- FY 2019-20 Performance Target

## Performance Measure Metadata – Data Entry

Bureaus are responsible for entering performance measure metadata for active measures that appear on the bureau's Form 1800 (see above). These are the measures for which the bureau is reporting values data.

Bureaus should review their metadata for accuracy and complete any necessary updates prior to requested budget submission. In BFM reporting, users can go to Performance Management and run the Performance Metadata Key for a comprehensive report that will display all performance measures as well as directions for updating measures.

In BFM, metadata entry is completed in the Performance Measures – Dimension under the Performance Mngmt tab. Navigate to the available fields by clicking through:

- Performance Mngmt>Performance Measures>Dimension
- Select “Edit” button to navigate to the tabs and metadata fields below.

### Attributes tab

- **Name:** This is a “short name” used to refer to the measure in the system when a longer title is infeasible. It is not the name used for publishing purposes.
- **Measure Title:** This is the published title of the performance measure.
- **Graph Title:** For measures to be graphed in the budget document, include a brief title. The first letter of each word in the title should be capitalized except for conjunctions (e.g. and, as, if, but, for, etc.).
- **Graph Description:** Include a brief explanation (1-3 sentences) of performance outcomes achieved in relation to fiscal year and strategic targets set by the bureau, or by the City. Provide reason for apparent trends. This field is published on the [City bureau performance dashboard](#) for all measures, and is used in budget documents for graphed measures.
- **Active?:** This denotes whether this is an active measure.

### Groups Tab

- **Publish Measure:** Use the dropdown menu to select ‘YES’ to publish or ‘NO’ to not publish the measure in the budget document.
- **Graph Measure:** Use the dropdown menu to select ‘YES’ to graph or ‘NO’ to not graph the measure in the budget document. Bureaus are encouraged to graph their Key Performance Measures, at a minimum.
- **Desired Direction:** Indicates the desired trend for this measure. See drop down selection.
- **Reliability:** Refers to the expected accuracy and reliability of the performance data. Dropdown menu.
  - *High accuracy* – data gathered via reliable process designed to validate or verify the information;
  - *Medium accuracy* – somewhat dependable process designed to validate or verify the information;

- *Low accuracy* – data gathered without a dependable process to validate or verify the information. This designation can also be used to indicate that bureau does not have a reliable method of data quality assurance.
- **Graph Title:** For measures to be graphed in the budget document, include a brief title. The first letter of each word in the title should be capitalized except for conjunctions (e.g. and, as, if, but, for, etc.).
- **Datatype:** Select a code from the dropdown menu to indicate how data values should be formatted.
- **KPM:** Check the box if the measure is a Key Performance Measure (KPM). KPMs are indicators of bureau core service delivery that create a layer of Citywide indicators and guide Council decision-making
- **Frequency:** Frequency of collection, or how often are component variables collected (options include transaction, weekly, monthly, quarterly, or intermittently); frequency may vary from when data is reported.
- **Measure Type:** Performance measure types include workload, output, outcome, efficiency, and key performance measures. Select an option from the drop-down menu that best fits the indicator. Measure definitions are as follows:
  - **Workload measures** describe a quantity of work performed.
  - **Output measures** specify quantity or number of units produced. Outputs are activity-oriented, measurable, and typically controllable.
  - **Outcome measures** are qualitative consequences associated with a program or service. External forces sometimes limit managerial control of the measure. Outcome measures express “why” City services or programs exist, and can include measures of service quality.
  - **Efficiency measures** are inputs used per unit of output. They tell us “at what financial cost” were these inputs, outputs, and outcomes reached.

## Description Tab

- **Unit of Measure:** For measures to be graphed in the budget document, enter a unit of measurement to be displayed on the Y-axis of the graph.
- **Formula:** Mathematical equation used to calculate the measure. For example, to calculate BPS on-time trash collection during scheduled hours, divide the number of times it was collected on time by the total number of times trash was collected.
- **Target Year:** Indicates the year that the bureau expects to achieve the strategic target (enter 4-digit year, e.g. 2049). To communicate achievement of the strategic target in a particular fiscal year, enter the end of that year (e.g., FY 2020-21 would be entered as 2021). Do not enter a month or date value.
- **Strategic Plan:** Cite the City administrative code, City or bureau strategic plan, other policy document, or state/regional code or strategic plan referenced in the creation of the strategic target.
- **Collection Methodology:** Use this field to describe how data is collected for the performance measure. Include (1) data collection mechanisms (describe ways the data will be collected, survey forms, printed reports, contractor performance reports, etc.); (2) data sources (manual logs, check sheets, computer databases, surveys,

spreadsheets, etc.); data collection time frame (i.e. reporting time lag); data storage location.

- **Program Mgr:** Name and email address of the person overseeing the program reflected by the measure. Reported as “Bureau data source program manager” on the bureau performance dashboard.
- **Program Mgr Email:** Email address of the City employee overseeing the bureau program or operations reflected by the measure.
- **Data Contact:** First and last name of the City employee responsible for collecting, gathering, and reporting the data for this specific measure. Reported as “Bureau data source contact” in the Performance Measure methodology appendix.
- **Data Contact Email:** Email address of the City employee responsible for collecting, gathering, and reporting the data for this specific measure.
- **URL:** Relevant URL, “for more info” to direct reader to program webpages, press releases, how to get involved/citizen engagement, annual report, budget, or simply the bureau home page.

## Section 6

# **Financial Planning: Five-Year Forecasts & Fee Studies**

## Financial Planning

### *Five-Year Financial Plans*

The City prepares Five-Year Financial Plans to guide City Council in adopting the City budget and to assist Council in ensuring the delivery of needed services through all types of economic cycles. A [list of the funds](#) required to submit a financial plan is located in the Comprehensive Financial Management Policies. Bureaus required to submit a Five-Year Financial Plan will submit a plan for FY 2020-2025. Recently, the City has added new funds, which will be updated in FIN 2.03.01. The following shall submit Five-Year Financial Plans at the fund level:

- Office of Community Technology (General Fund)
- Portland Police Association Health Fund
- Portland Clean Energy Fund (PCEF)
- Recreational Marijuana Tax Fund

The principles and assumptions that should form the basis for the financial plans are the same as in previous years and are as follows:

- Financial plans are based on current service levels and funding sources, as well as anticipated changes to service levels and funding.
- If appropriate, the plans will identify additional resources needed to continue current service levels or identified service adjustments.
- Bureaus should use the same basic economic assumptions as the General Fund forecasts which will be distributed by CBO.
- The plan should identify other assumptions used in the forecast and the associated risks. Examples of risks can include rates, legislation and legal rulings that affect City liability, pension systems or health benefit plans, as well as regional economic trends that affect City revenues.
- Revenue estimates will be prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the year.
- Expenditure estimates will anticipate needs that are reasonably predictable.
- Enterprise and special revenue fund forecasts will identify any impact on rates.
- The forecasts will discuss how standards for debt service coverage and operating reserves are established and maintained.
- Fiduciary fund forecasts will identify the impact on tax rates.

We have created an optional [Word template](#) and [Excel template](#) that may be used to assist with the preparation of the Five-Year Financial Plan.

### *Fee Study*

[Comprehensive Financial Management Policy 2.06](#) states that all bureaus charging fees are required to complete fee studies base on cost-of-service principles every three years. The studies should identify:

- Where appropriate, whether the existing fee structure provides full cost recovery.

- The degree to which a service provides a general benefit in addition to the private benefit provided to a specific business, property, or individual.
- The economic impact of new or expanded fees, especially in comparison with other governments within the metropolitan area.
- The true or comprehensive cost of providing a service, including the cost of fee collection and administration and other indirect cost allocations.
- The impact of imposing or increasing fees on economically at-risk populations and on businesses.
- The overall achievement of City goals.

According to the policy, charges for services that benefit specific users should recover full costs. To ensure that each service is achieving full cost recovery, the fee studies need to break down resources and requirements for each individual service.

For bureaus that are required to submit Five-Year Financial Plans, the fee study can be a component of that plan. A bureau that is not required to submit a financial plan should include the fee study as a separate document within the Requested Budget submittal.

Section 7

**Budget Document Instructions: PatternStream, BFM  
Reports, & More**

## Budget Document Publishing Instructions

### *Budget Document*

The intent of these instructions is to help bureaus produce clear, concise text that succinctly describes their organizations, programs, budget decisions, and financial and performance information.

**Collectively, the City's Adopted Budget is an enormous publication.** Please help us move toward a more accessible, engaging document by adhering to length requirements! One tactic for clear and concise budget writing is to reduce the repetition of text within a bureau's narrative by considering their entire budget narrative while they are writing the individual micro-documents:

- Stay focused on the purpose of each text section
- Use clear language and short, focused sentences
- Avoid the temptation to start with last year's text and add to it 😊
- Please consult with the [Style Guide](#) to help maintain consistency across bureaus!

The table below outlines the different components of the Requested Budget Document, which carries through to the Adopted Budget. For PatternStream documents, the Format refers to the Micro-Document format outlined below.

<i>Section</i>	<i>Description</i>	<i>Format</i>	<i>Page Length</i>
<b>PatternStream Documents</b>			
Organization Chart	Chart produced in Visio depicting bureau's management and program structure, formatted as follows: <ul style="list-style-type: none"><li>• Bureau name as title</li><li>• Director name and title enclosed in a box with shading</li><li>• Divisions or major programs enclosed in a box with shading</li><li>• Division programs or major subprograms without boxes</li></ul>	PDF submitted to CBO analyst	N/A
Bureau Mission	Verbatim text of bureau's adopted mission statement. Optional brief introductory remarks.	H4	¼ page
Bureau Overview	Purpose of bureau & services provided	H4	½-1 page

Strategic Direction	Goals, objectives, and key issues. Should also describe overarching plan for achieving performance goals, including allocation of resources, collection & reporting of data, analysis of results, and efforts toward process improvement. Please use a side head (H5 topic) to identify each issue, goal, or objective.	H4	½-1 page
Summary of Budget Decisions		H4	N/A – Header only
<i>Base Budget Adjustments</i>	Summary of key realignments or other changes to base budget. More detail should be provided in the relevant program offers.	H5	½-1 page
<i>Decision Packages</i>	Adopted Budget only. Summary of decision packages included in the Adopted budget.	H5	No limit
<i>Budget Notes (if applicable)</i>	Adopted Budget only. CBO writes budget notes for bureaus, as directed by Council. Budget notes are recorded exactly as approved by Council and may not be edited.	H5	No limit
Capital Summary		H4	N/A – Header only
<i>CIP Highlights</i>	Overview of bureau's most significant projects, including description and total cost.	H5	½-1 page
<i>Major Issues</i>	Major capital issues facing bureau during five-year CIP timeframe. May include budgetary, legislative, service delivery, environmental, or economic issues.	H5	½-1 page
<i>Changes from Prior Year</i>	Overview of major changes from FY 2019-20 Adopted CIP and FY 2020-21 requested. This should include changes in total program and project costs and/or timelines.	H5	½-1 page
<i>Connection to Goals, Priorities, &amp; Plans</i>	Describe how bureau's CIP addresses Citywide & Council-directed initiatives, goals, and objectives. This may include: the Portland Plan, the Climate Action Plan, the Comprehensive Plan, the bureau's Racial Equity Plan, the bureau's ADA Title I Transition Plan, etc.	H5	½-1 page
<i>Criteria</i>	Explanation of methodology and criteria used by bureau in selecting and ranking capital projects. Please note how the bureau incorporates equity in this framework. This section should describe a) how established service levels have been used in developing	H5	½ page

	the CIP and b) if the service levels have been adopted by Council.		
<i>Capital Planning Process</i>	Description of bureau's internal process to prepare the CIP. Who is involved? How are other bureaus involved? Community advisory bodies?	H5	½ page
<i>Funding Sources</i>	Describes funding sources for capital projects, noting one-time and ongoing, any notable changes, and relevant assumptions.	H5	½-1 page
<i>Asset Management &amp; Replacement Plan</i>	Estimate annual funding needed for sustainable level of maintenance and what funding sources will be available for this purpose. Describe any asset management & Replacement plans the bureau has developed for these projects (or why no plan exists).	H5	½-1 page
<i>Net Operating &amp; Maintenance Costs</i>	Explain methodology used to determine additional O&M costs and/or savings generated by specific projects included in CIP submission. Estimate future impacts on revenue sources, with specific regard to designated income streams for supporting capital and operating costs.	H5	½ page
Division Narrative (OMF only)	Micro-documents for each division section describing purpose, services provided, bureau-specific major issues. Should include capital information.	H3	½-1 page
Funds			
<i>Fund Overview</i>	Fund's purpose, discussion of major revenue sources and expenses, identify managing bureau.	H4	½-1 page
<i>Significant Changes from Prior Year</i>	Identify significant changes such as increases or declines in revenue, adjustments to reserves, changes in expense categories, etc.	H4	½-1 page
<b>BFM Reports</b>			
Program Offers	See more detail in Section 4.	Program Offer report	N/A
PM1	A report of the active performance measures for which the bureau is the data owner. Includes measure title, type, recent performance actuals, FY 2020-21 annual target, and strategic target.	Export as pdf from BFM reporting>Performance Management	1-2 pages

Budget Equity Assessment Tool	See more detail in <a href="#">here</a> .	Enter information in BFM Equity Form- 9480 and then publish BFM Requested Budget Equity Report	No limit
<b>Other</b>			
BAC report	Summary of discussion and any recommendations of the committee. Should include committee roster identifying names and community affiliation as applicable. Two or more BAC members may jointly write a minority report.	PDF	No limit
Five-Year Financial Forecast	See Section 6 of manual for details. Certain funds are required to submit five-year plans to help ensure delivery of needed services through all types of economic cycles.	PDF; please also send Excel file to analyst	No limit
Fee Study	See Section 6 of manual for details. All bureaus charging fees are required to complete fee studies based on cost-of-service principles every three years.	PDF	No limit

### ***Writer’s Guide to the Micro-documents in PatternStream***

Micro-documents are written during the Requested stage and updated during the Adopted stage of the budget process. The micro-documents related to capital are only required for those bureaus that have at least one budgeted capital project. The table below identifies the micro-documents that are required to be updated in each of the budget phases, the format for the different sections, and the recommended page lengths. The formats are identified using the PatternStream header types listed below.

**H3 Subject:** Used for headers on program and division pages (program names and division names)

**H4 Microdoc:** Used for section titles such as bureau mission and bureau overview

**H5 Topic:** Typically referred to as side heads

**H6 Subtopic:** Typically referred to as in-column headings

## Technical Checks

Please complete the following technical checks prior to submission. Details on technical check reports available in BFM can be found in the [reporting glossary](#) or [technical checks appendix](#).

### Budget Document Checklist

<b>Org Chart - PatternStream</b>
<input type="checkbox"/> Updated chart loaded to PatternStream
<input type="checkbox"/> Chart is accurate and fits on one page
<input type="checkbox"/> Chart follows format outlined in Other Budget Requirements section of manual
<b>Narrative Review - PatternStream</b>
<input type="checkbox"/> Completed sections for bureau-level Mission, Overview, Strategic Direction, Major Issues (optional)
<input type="checkbox"/> Key Budget Decisions section is formatted per the Budget Manual
<input type="checkbox"/> Capital bureaus have sections for Capital Summary, Capital Planning & Budgeting, and Capital Programs & Projects (see alternative submission requirements for bureaus with 5 or less projects)
<b>Summary of Bureau Budget Table - PatternStream</b>
<input type="checkbox"/> Total Requirements = Total Resources and matches BFM
<input type="checkbox"/> Total Sub-Programs = Total Bureau Expenditures
<input type="checkbox"/> Lines with all zeros are suppressed
<input type="checkbox"/> Ending balance of prior year 2 = beginning balance of prior year 1
<input type="checkbox"/> No negative amounts in subprogram detail for budget year (may have some in actuals)
<input type="checkbox"/> Total expenditures across sub-programs = total bureau level expenditures (BUEXP)
<b>Narrative Review - BFM</b>
<input type="checkbox"/> Program Offers - BFM report
<input type="checkbox"/> Program offer sections are for complete Header, Program Budget, and Service Outcomes.
<input type="checkbox"/> A program offer exists for every sub-program (6-character functional area) that has appropriation in the budget
<b>Performance Measure Reporting</b>
<input type="checkbox"/> Graphs have titles and explanatory narrative
<input type="checkbox"/> The Y-axis is labeled, and the number range makes sense
<input type="checkbox"/> No missing data points
<input type="checkbox"/> Performance measures have data in all columns (NA is acceptable) and are accurate for all years
<input type="checkbox"/> Each performance measure is located beneath a performance measure type (workload, effective, etc.)
<input type="checkbox"/> Performance measure data type is correct (e.g. percent measure shows as 92% not .92)
<b>CIP Summary (if applicable)</b>

<input type="checkbox"/> Project amounts match BFM (check to BFM report C2. Projects by CIP Program)
<input type="checkbox"/> No negative amounts for an individual project
<b>FTE Summary - PatternStream</b>
<input type="checkbox"/> All classes have a salary range
<input type="checkbox"/> No negative FTE or \$ amounts for a class
<input type="checkbox"/> No 0.00 FTE with \$ amounts
<input type="checkbox"/> Lines with all zeros for FTE and amounts should be suppressed
<input type="checkbox"/> Total FTE (FT, PT, and LT) = Total FTE in BFM (check using PCF report C3)
<b>Fund Summary</b>
<input type="checkbox"/> Total Requirements = Total Resources and matches BFM
<input type="checkbox"/> Ending balance of prior year 2 = beginning balance of prior year 1
<input type="checkbox"/> Every fund has an Overview section and Managing Agency identified
<input type="checkbox"/> Significant changes section should exist if there are significant changes to explain, if not, delete section and title
<b>Capital Project Detail</b>
<input type="checkbox"/> Project amounts match BFM report C2, Capital Projects by CIP program
<input type="checkbox"/> No negative amounts for an individual project
<input type="checkbox"/> Every project has a Total Project Cost, Original Project Cost, Geographic Area, Confidence Level, and Objective
<input type="checkbox"/> New projects have been properly flagged as 'NEW'
<input type="checkbox"/> Net Operating and Maintenance Costs have been populated where applicable ('0' if nothing)
<input type="checkbox"/> Prior and Revised budget columns are populated (except for new projects)
<input type="checkbox"/> The 5-year project total plus the Prior Years column should not exceed the total project cost field
<input type="checkbox"/> Total project costs seem accurate given what is shown in prior years, revised budget, and 5-year plan
<input type="checkbox"/> Every project has a project description
<input type="checkbox"/> Every project identifies the revenue source in the last line of the project description
<input type="checkbox"/> Every project is listed under a capital program
<input type="checkbox"/> Projects titles are Proper Case (not all capitals)

1. **No Contingency should be budgeted in Debt Funds.** Use TC3 to show places where contingency should not be used.
2. **Allocation Accounts need to balance.** The TC4 shows any places that allocation accounts are unbalanced. Anything showing up in this report needs to be fixed by the bureau.
3. **Expenses and Revenues should be balanced** by business area and 3-digit fund
  - a. Expenses and Revenues should be balanced at the sub fund level too- while this isn't required by state law it *is* best practice for expenses and revenues to be balanced by sub fund. The balance by sub fund report will show all imbalances at the sub fund level.

## Section 8

# **BFM Deep Dive: Detailed Personnel Information, Reporting Glossary, & Technical Budget Checks**

## Personnel Budgeting Info & FAQ

### *Introduction*

BFM, the City's budget management application, contains a forecasting tool called Personnel Cost Forecasting (PCF).

Total Personnel Budget= PCF Projected Costs + Manually Entered Costs

PCF uses data from the City's enterprise resource planning system, SAP, as the source for the projections. Prior to budget development, bureaus should confirm that the data in the SAP Human Capital Management (HCM) module is correct.

Users can also enter personnel expenses manually in budget forms that will increase personnel costs but will not be tied to specific positions or employees.

### *Data from SAP to BFM*

#### **Who:**

The BFM administrator in CBO uploads personnel data from SAP to BFM

#### **When**

Personnel data is loaded in early Fall so bureaus have an estimated starting place for developing budgets, but personnel data is also uploaded from SAP to BFM the first week of January and this data is what serves as the personnel base budget in BFM.

#### **What**

There are 5 different files of data that are used as sources of information in BFM

#### **How**

The BFM administrator runs a transaction (not edited by CBO) in SAP the Friday after paychecks are issued that generates the following files:

#### **SBFS1: Position File**

No casual or double fill positions are sent from SAP to BFM. There is a 1:1 relationship in the data between position and employee. That means that every position is associated with an existing employee or is vacant. Vacant positions have a position code but no distinct employee code. The position file is the primary source data that populates what is seen in employee maintenance.

#### **SBFS2&2a: Benefits File(s)**

These files contain data on employees and benefit elections.

## **SBFS4: Job File**

This file provides data on each job classification, the short description, bargaining unit, and potential steps.

## **SBFS5: Compensation Structure**

This file provides data on each grade and step and the associated salary.

## **SBFS6: Allocations**

This file provides data on how positions are allocated in SAP.

## ***Data from BFM to SAP***

### **Who:**

The BFM administrator provides files from BFM to accounting who uploads data to SAP

### **What:**

There are two files produced: budget file and a grant file. The budget file contains all of the budget data that does not pertain to grants; whereas the grant file contains all of the budget data that does pertain to grants. Every row of data passed from BFM to SAP must have a: Fund Center (10-character level), Functional Area (16-character level- this is done on the back end, bureaus only budget at the 10), Grant, Funded Program, and Commitment Item.

No position data is ever sent from BFM to SAP- only the budget data that has been projected as a result of the changes to positions in BFM is sent to SAP. For this reason, it is required that bureaus follow the necessary steps to complete the P4 process for any new positions or reclassifications for the position data to change in SAP.

### **When**

Data is uploaded from BFM to SAP after the budget is adopted and the ordinance has been certified by the council clerk.

### **How:**

Accounting uploads the budget data into a test environment in SAP. Both accounting and CBO review the data to make sure that it matches the exhibits in the certified ordinance. After both organizations have confirmed the data matches, accounting requests access to the budget override table to be given (by EBS) to accounting so they can upload the budget to the real SAP environment. The budget director (or acting budget director) and city controller (or acting controller) can approve access to the budget override table. Once granted access, accounting uploads the budget data to production, accounting and CBO both check the data, and finally bureaus are notified.

At no point in time does the budget office send any position data from the budget system to SAP.

## ***PCF Projections***

### **What is PCF Projecting?**

PCF is projecting salary, and benefits. PCF does not include any costs for COLA for any employees. PCF does not include merit for non-represented employees.

To see details of the costs projected for an employee, go to the employee maintenance screen, navigate to the projection tab. Select the projection results. In this screen you will see everything that is being projected and thus included in the costs. Please note that the projection results have two years of data. The left-hand column has the fiscal year that indicates which year the costs are projected for.

### **What do the different Projection IDs mean?**

#### **0-Current**

This projection displays costs for where we are currently at in the budget process. This projection is updated automatically every 15 minutes and should reflect changes made in PCF or decision packages.

As the City moves from the requested phase to CBO recommended, to Mayor's Proposed, etc. the BFM admin runs a full projection of personnel data and saves this as a "snapshot". This captures the data as a point in time and is saved as the Total PCF for that phase. After the "snapshot" has been saved, the system is staged forward to the next phase (i.e. from Requested to Proposed).

All personnel costs generated by PCF projected as part of 0-Current are the costs that get included in the budget. Note that this *does not* include any COLA or Merit increases (for non-represented employees).

#### **20239- Preliminary COLA**

Every year in the Fall, the City Economist publishes a preliminary estimate for the Cost of Living Adjustments for the next fiscal year. This projection will reflect the preliminary estimate each year.

BFM does not include COLA as part of the costs that are included in the budget. Instead, the resources that would cover these costs Citywide are retained in a policy set aside account in the General Fund and can be requested in the Spring BMP as compensation set aside if the bureau has been fully staffed all year and needs to access those resources to cover personnel costs tied to cost of living expenses.

While BFM does not include these costs in the budget, CBO does provide an estimate of what the total bureau costs would be should the bureau be fully staffed. Because COLA increases salary, any benefits associated with salary (such as retirement, etc.) will also be affected. Other

benefits (health) stay the same regardless of salary. The difference between the fully loaded cost with and without COLA will not be exactly the published rate- bureaus should expect to see variances.

**20241- NR Merit**

Represented classes do include merit increases in the 0-Current projection that are based on steps, anniversary dates, and the compensation structure for the bargaining unit.

Non-represented classes do not have a merit increase included in the 0-Current projection. Similar to COLA, merit increases affect salary and thus also affect any benefits that are impacted by salary. CBO provides a projection for what the fully loaded cost of positions would be if the non-represented classes received a merit increase on their anniversary dates.

This projection is provided so bureaus can allocate resources during budget development to cover costs associated with no-represented merit increases.

**20242- Final COLA**

Every year, the City Economist publishes a final estimate for the Cost of Living Adjustments for the next fiscal year. This projection will reflect the final estimate each year.

**How does PCF handle Step Increases?**

PCF uses job class, grade, step, and anniversary date.

Example: the following information comes directly from SAP

Employee: Grover

Bargaining Unit: CP

Grade: SCL0101090

Step: Y2

Anniversary Date: 12/16

Since we get the data on each grade/step combination and associated salary, PCF uses that data to produce the projection.

		Number of Months in Each Step (based on Anniversary)				
Grade	Step	Salary	July-Mid Dec	Mid Dec-June	Multiply time by Salary	Divide by 12
SCL0101090	Y2	65291.2	5.5		\$ 359,101.60	
SCL0101090	Y3	68494.4		6.5	\$ 445,213.60	
<b>Total Salary</b>					\$ 804,315.20	<b>\$ 67,026.27</b>

Screenshot from BFM Projected Employee Results~ note the Salary is exactly the same as what is depicted in the table above.

## Projected Employee Results

Record Actions:

Fiscal Year	Benefit Code	Benefit Name	Amount
2020	435_	InMet Tax	\$515.51
2020	6A00B	Admin Fee	\$508.00
2020	6A02B	CityCORE 2-PARTY	\$14,441.00
2020	6A11B	KPNW Dental 2-PARTY	\$1,635.00
2020	6A15B	VSP 2-PARTY	\$78.00
2020	6B08	Basic Life 1x Salary	\$780.00
2020	6L02	LTD Non Rep	\$134.05
2020	6S02	PERS Pension -Tier I General	\$14,651.94
2020	6S05	PERS Pickup 6% Tier I General	\$4,021.58
2020	MI	Medicare	\$971.88
2020	OASDI	Social Security	\$4,155.63
2020	Total Benefits		\$41,892.59
2020	Total Salary		\$67,026.27
2020	Total		\$108,918.85

Records per page: 100 - Records: 28 - Page: 1

\*\*\*Note that for the example above, the employee's anniversary step date is in mid-December. That means that the employee had already achieved their step increase for the current year when CBO uploaded final SAP data in early January\*\*\*

If the employee's anniversary step date is *after* the final upload in early January, BFM will take into consideration the step increases in the current year as well as the step increase for the next fiscal year.

Example:

Employee: Prairie Dawn

Bargaining Unit: CP

Grade: SCL0101090

Step: Y2

Anniversary Date: 03/26

This employee's anniversary date is in late March. Therefore, BFM will take into consideration the move from Y2 to Y3 in the current year and then from Y3 to Y4 in the following year.

Current FY					
Grade	Step	Salary	Months in each step	Multiply time by Salary	Divide by 12
SCL010 1240	Y 2	108,36 8.00	9.00	975,312.00	81,276 .00
SCL010 1240	Y 3	113,75 5.20	3.00	341,265.60	28,438 .80
<b>Total Salary Current Year</b>				1,316,577.60	<b>109,71 4.80</b>
Next FY					
			Months in each step	Multiply time by Salary	
SCL010 1240	Y 3	113,75 5.20	9.00	1,023,796.80	85,316 .40
SCL010 1240	Y 4	119,47 5.20	3.00	358,425.60	29,868 .80
<b>Total Salary Next Year</b>				1,382,222.40	<b>115,18 5.20</b>

## Projected Employee Results

Record Actions:

Close Export

Fiscal Year	Benefit Code	Benefit Name	Amount
2020	435_	TriMet Tax	\$844.00
2020	6A00C	Admin Fee	\$508.00
2020	6A11C	KPNW Dental FAMILY	\$2,452.00
2020	6A12C	KPNW Medical FAMILY	\$22,308.00
2020	6A13C	KPNW Vision FAMILY	\$168.00
2020	6B08	Basic Life 1x Salary	\$780.00
2020	6L02	LTD Non Rep	\$219.00
2020	6S08	OPSRP Pension-General Services	\$17,042.00
2020	6S10	OPSRP Pickup 6% General Servic	\$6,584.00
2020	MI	Medicare	\$1,591.00
2020	OASDI	Social Security	\$6,804.00
2020	Total Benefits		\$59,300.00
2020	Total Salary		\$109,735.00
2020	Total		\$169,035.00

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## Projected Employee Results

Record Actions:

Close Export

Fiscal Year	Benefit Code	Benefit Name	Amount
2021	435_	TriMet Tax	\$892.00
2021	6A00C	Admin Fee	\$508.00
2021	6A11C	KPNW Dental FAMILY	\$2,452.00
2021	6A12C	KPNW Medical FAMILY	\$22,308.00
2021	6A13C	KPNW Vision FAMILY	\$168.00
2021	6B08	Basic Life 1x Salary	\$780.00
2021	6L02	LTD Non Rep	\$230.00
2021	6S08	OPSRP Pension-General Services	\$17,892.00
2021	6S10	OPSRP Pickup 6% General Servic	\$6,912.00
2021	MI	Medicare	\$1,670.00
2021	OASDI	Social Security	\$7,143.00
2021	Total Benefits		\$60,955.00
2021	Total Salary		\$115,207.00
2021	Total		\$176,162.00

Records per page: 100 - Records: 28 - Page: 1

### How does PCF handle Top of Range?

BFM uses the compensation structure for represented employees to calculate salary.

BFM uses the value that comes from SAP as a starting point for non-represented salary with no assumed increase on anniversary dates for merit. Salary is capped at top of range for the classification. However, if a user manually enters a budget override value on the employee that exceeds top of range, PCF will use this value. PCF also produces projections for COLA and merit for non-represented employees- both projections may calculate a salary that exceeds top of range for non-represented employees.

**How does PCF project Vacant Positions?**

BFM assumes the lowest entry point for represented positions and assumed a “mid-level” for non-represented positions. As non-represented classifications have bands, mid-range is calculated by taking the average of the bottom and top of range.

***What Does PCF Base mean?***

PCF base is the projected costs and FTE that are based on data uploaded from SAP without any changes to position authority. We call out position authority here because within PCF Base bureaus may allocate employees across different parts of the budget. These are budget neutral adjustments from an appropriation perspective but alter where personnel costs post within a bureau budget.

***What Kinds of Changes Can be Made in PCF to Alter Personnel?***

All changes made in PCF for the budget development year *only* affect the budget development year, not the current year. Bureaus should not attempt to change current year classifications, positions, FTE, or anything else within the PCF module. All current year changes to personnel that require budget action are taken in the supplemental budget processes. Please see the [BMP Manual](#) for more information.

Activity	WHERE is this done?	WHAT report do I run to see the change?	WHEN can I do this and WHY?
Allocate employees to different pieces of master data	Employee maintenance allocation tab	Any of the 304 allocation reports	Any time after the Fall personnel load. Changes to allocations are saved and applied again after the final load in early January. The reason this is allowable, is because it does not alter position authority so Council action is not required.

Adding benefits for a new employee	If an employee started in December and has not been with the City a full month, their benefits may not cost correctly. If this is the case, benefits can be updated on the benefits tab. It is very important that if this action is done, the elections are correct	Either the 302 or 304 reports	Any time after the Fall personnel load. The reason this is allowable, is because it does not alter position authority so Council action is not required. Also, the position was already approved, and the missing benefits are entirely due to a timing issue, not an authorization issue.
Update and individual employee FTE%	Employee maintenance salary tab- For represented employees update FTE and Salary %. For non-represented employees only update the FTE% and make sure the Salary Override amount is the right salary	Either the 302 or 304 reports	After the January load. This alters position authority and requires Council action. Changes prior to final load cannot be isolated and therefore are not adequately transparent when adopting the budget.
Add New Positions	In Employee Maintenance <i>or</i> through a decision package	Either the 302 or 304 reports	After the January load. This alters position authority and requires Council action. Changes prior to final load cannot be isolated and therefore are not adequately transparent when adopting the budget.
Abolish Positions	In Employee Maintenance <i>or</i> through a decision package	Either the 302 or 304 reports	After the January load. This alters position authority and requires Council action. Changes prior to final load cannot be isolated and therefore are not adequately transparent when adopting the budget.
Update salary or benefit	Sometimes, an employee starts <i>after</i> the final load done in January. In these	Either the 302 or 304 reports	After the January load. While this does not require Council authority, it does

information that is incorrect	cases, the vacant position can be updated with the new employee's specific information if the bureau has it		alter allocation of existing appropriation. Changes prior to final load cannot be isolated and therefore are not adequately transparent when adopting the budget.
Extend a Limited Term Position	On occasion, limited term positions that started in the current fiscal year will need to be extended to the next fiscal year. This can be done in Employee Maintenance on the allocation tab.	Either the 302 or 304 reports	After the January load. While this does not require Council authority, it does alter allocation of existing appropriation. Changes prior to final load cannot be isolated and therefore are not adequately transparent when adopting the budget.
Reclassify positions	Employee maintenance	Either the 302 or 304 reports	While this does not require Council authority, it does alter allocation of existing appropriation. Changes prior to final load cannot be isolated and therefore are not adequately transparent when adopting the budget.

## ***HR Deadlines***

### **Who sets the deadlines?**

CBO works with BHR to determine the deadlines. Annually, CBO reaches out to BHR and asks them when they need various actions completed by bureaus for the changes to make in into SAP by the last upload that CBO will do to generate the PCF Base.

### **Why are the deadlines important?**

If bureaus do not meet the HR deadlines, the data uploaded from SAP for the final upload won't accurately reflect the bureau's personnel data. This is especially critical for positions that were adopted for the current fiscal year or in the Fall BMP, and reclassifications that alter compensation.

### **My changes are not reflected in the Fall load-what do I do?**

HR uses the time between the deadlines and the final load to process all the change requests. If you are not seeing a change to employees or positions that was submitted through the outlined process and met deadlines, that is likely because HR is still processing the request and it should be reflected in the January load.

### **My changes are not reflected in the Final load-what do I do?**

After CBO loads personnel data for the final time, bureaus will have a full business day to check for any positions or reclassifications that did not make it into the final load. While a single day may not seem like much time, if all deadlines have been met, there should be few to no changes that were missed. If a change was indeed missed, bureaus must communicate to their CBO analyst and work with the analyst to make the necessary change(s) such that the PCF base column is accurate. After changes to the base column are made (by the CBO analyst), the data is frozen as a “snapshot” and used for the remainder of the budget development process as the starting point for bureaus to develop their budgets. It is in bureau best interest to check this data and complete the work with their CBO analyst quickly because the sooner the data is confirmed, the sooner CBO can stage the budget system forward so bureaus can begin the other personnel changes they have to do as well as enter decision packages.

## Reporting Glossary

### *Introduction*

BFM Reporting is an instance of SAP Business Objects (BOBJ) Reporting that is separate from the City's main SAP instance. Reports are roughly organized by budget process with two additional folders for Performance, and Other Resources. Reports will have a Title as well as a description telling the user what the primary function of the report is.

Users will only be able to see data for their bureau unless a specific report has had the security controls removed (such as the IA reports or Decision Package reports). Additionally, users will see phase data dependent on their security role in reporting. For example, end users do not see any proposed data until the Mayor's Proposed Budget has been released.

### *Budget Development*

#### **Budget Tracking**

<b>Report</b>	<b>Description</b>	<b>Assumptions</b>
Expenses by...A1-A6	Each of these reports provides a breakdown of expenses by the indicated combination in the title. The reports display the current year revised, requested no DP, requested with DP, proposed, approved, and adopted columns as well.	None
Revenues by...B1-B6	Each of these reports provides a breakdown of revenues by the indicated combination in the title. The reports display the current year revised, requested no DP, requested with DP, proposed, approved, and adopted columns as well.	None
Budget Tracking PY1	This report has expense, revenue, and FTE by major object over the course of the budget development process (by major phase) for the prior year adopted budget process.	None
Budget Tracking with Net ZOOM	This report has expense, revenue, and FTE by major object over the course of the budget development process (by	None

	detailed phase) for the upcoming year adopted budget process. By clicking on the data in the report, users can see an audit trail.	
Detailed Budget Export [Grid Export]	This report has each piece of master data and phase of the budget process. The report is optimized for exporting to excel.	None
Detailed Budget Export [Grid Export] PY	This report has each piece of master data and phase of the budget process. The report is optimized for exporting to excel.	None
Summary of Bureau Budget – Adopted and Proposed	These reports should be used to confirm budget data that will show up in the bureau sections of the Proposed or Adopted budgets. The formatting is very similar to that of Patternstream, but not exact.	Depending on phase, the assumption is that the data is representative of any changes (including decision packages) at that point in time.
Summary of Fund Budget- Adopted and Proposed	These reports should be used to confirm budget data that will show up in the fund sections of the Proposed or Adopted budgets. The formatting is very similar to that of Patternstream, but not exact.	Depending on phase, the assumption is that the data is representative of any changes (including decision packages) at that point in time.
Technical Adjustment (TA1)	This report	

### Capital Planning

Report	Description	Assumptions
Capital Projects by CIP Program (C2)	This report should be used to confirm the data the bureau will see in Vol. 1 of the Adopted Budget. This report displays the public name of the project, prior year CIP, Revised Budget, and 5 years of planned expense.	Project code not=0 Based on Responsible Bureau Project is Active

	<p>This report is organized by Capital Program</p>	<p>Project is set to Publish in COA</p> <p>Displays expense data</p> <p>*The budget development year changes from requested, to proposed, to adopted depending on phase</p>
<p>Capital Improvement Plan Summaries (C3)</p>	<p>This report should be used to confirm the data the bureau will see in Vol. 2 of the Adopted Budget. This report displays the public name of the project, project description, revenue sources, prior year CIP, Revised Budget, and 5 years of planned expense.</p> <p>This report is organized by Capital Program</p>	<p>Project code not=0</p> <p>Based on Responsible Bureau</p> <p>Project is Active</p> <p>Project is set to Publish in COA</p> <p>Displays expense data</p> <p>*The budget development year changes from requested, to proposed, to adopted depending on phase</p>
<p>Capital Projects by Geographic Area (C4)</p>	<p>This report displays the capital budget by geographic area, prior year CIP, Revised Budget, and 5 years of planned expense.</p>	<p>Project code not=0</p> <p>Based on Responsible Bureau</p> <p>Project is Active</p> <p>Project is set to Publish in COA</p> <p>Displays expense data</p> <p>*The budget development year changes from requested, to proposed, to adopted depending on phase</p>

Capital Projects QC	This tells the user every piece of data that is necessary for projects to show up correctly in all budget documents.	Project code not=0  Based on Responsible Bureau
Project Form (PR1)	This report displays revenues and expenditures by project code for two years of prior actuals, the current revised budget, the requested CIP, CBO recommended CIP changes, Proposed CIP changes, and Approved CIP changes. These change columns all link to Project Form (1790 or 1850).	Project code not=0

### Decision Packages

Report	Description	Assumptions
Requested Decision Packages (D2)	This report shows the revenue, expense, and FTE data for requested decision packages. The decision package form number is a live link that will pull up the detailed budget data and narrative report.	
CBO Recommendations (D3)	This report shows the revenue, expense, and FTE data through the CBO recommended stage.	
Mayor's Proposed Decision Packages (D4)	This report shows the revenue, expense, and FTE data through the Mayor's proposed stage.	
Approved Decision Packages (D5)	This report shows the revenue, expense, and FTE data through the Mayor's proposed stage.	
Adopted Decision Packages	This report shows the revenue, expense, and FTE data through the Mayor's proposed stage.	

(D6)		
Decision Package Summary- with and without security	<p>This is a report that shows all narrative and budget data for each decision package.</p> <p>This report can be run for any bureau and seen by all bureaus by selecting the NO security version.</p>	

### Equity

Report	Description	Assumptions
Requested Budget Equity Report	This report combines the narrative entered in the Equity Form with performance measure data entered in form 1800.	None

### Financial Planning

Report	Description	Assumptions
5 Year Historical Bureau Budget	This report shows Revenue and Expense data going back five years. There are two tabs to the report. The first tab has data at the major object level. The second tab has data at the commitment item level. There are input controls for Division, Program, Sub-Program, and Fund.	None

### Interagencies

Report	Description	Assumptions
Historical Internal Interagency Budgets - *Custom	This report shows revised and adopted budgets related to internal service interagency agreements for three years	Security has been removed so bureaus can see both sides of these transactions
IA- Internal Service	This report displays data associated with the pre-loaded internal IAs	

Agreement V51 Base Load Only		
Interagency Service Agreement	This report displays data...	

## Personnel

This folder contains reports on personnel costs for their bureau. Bureaus cannot see any data for other bureaus. Within this folder, there is a secondary folder labeled FY XX Adopted Versions that allows the bureau to see prior year adopted personnel reports.

The personnel reports in budget development exclude positions in budget monitoring decision packages.

## Different Projection IDs & Reporting

### 0-Current

This projection updates automatically, on a schedule.

This projection displays costs for where we are currently at in the budget process. This projection is updated automatically every 15 minutes and should reflect changes made in PCF or decision packages.

As the City moves from the requested phase to CBO recommended, to Mayor’s Proposed, etc. the BFM admin runs a full projection of personnel data and saves this as a “snapshot”. This captures the data as a point in time and is saved as the Total PCF for that phase. After the “snapshot” has been saved, the system is staged forward to the next phase (i.e. from Requested to Proposed).

All personnel costs generated by PCF projected as part of 0-Current are the costs that get included in the budget. Note that this *does not* include any COLA or Merit increases (for non-represented employees).

### 20239- Preliminary COLA

This projection is manually kicked off. During budget development, this is done at least once per week.

Every year in the Fall, the City Economist publishes a preliminary estimate for the Cost of Living Adjustments for the next fiscal year. This projection will reflect the preliminary estimate each year.

BFM does not include COLA as part of the costs that are included in the budget. Instead, the resources that would cover these costs Citywide are retained in a policy set aside account in the

General Fund and can be requested in the Spring BMP as compensation set aside if the bureau has been fully staffed all year and needs to access those resources to cover personnel costs tied to cost of living expenses.

While BFM does not include these costs in the budget, CBO does provide an estimate of what the total bureau costs would be should the bureau be fully staffed. Because COLA increases salary, any benefits associated with salary (such as retirement, etc.,) will also be affected. Other benefits (health) stay the same regardless of salary. The difference between the fully loaded cost with and without COLA will not be exactly the published rate- bureaus should expect to see variances.

### **20241- NR Merit**

This projection is manually kicked off. During budget development, this is done at least once per week.

Represented classes do include merit increases in the 0-Current projection that are based on steps, anniversary dates, and the compensation structure for the bargaining unit.

Non-represented classes do not have a merit increase included in the 0-Current projection. Similar to COLA, merit increases affect salary and thus also affect any benefits that are impacted by salary. CBO provides a projection for what the fully loaded cost of positions would be if the non-represented classes received a merit increase on their anniversary dates.

This projection is provided so bureaus can allocate resources during budget development to cover costs associated with no-represented merit increases.

### **20242- Final COLA**

This projection is manually kicked off. During budget development, this is done at least once per week.

Every year, the City Economist publishes a final estimate for the Cost of Living Adjustments for the next fiscal year. This projection will reflect the final estimate each year.

<b>Report</b>	<b>Description</b>	<b>Assumptions</b>
302- Position Summary by Home Fund Center	This report shows the home fund center for positions. The report is at the bureau level.	SAP is accurate in terms of home fund center data.
304- Position Allocations – Fund Center	This report shows the allocated fund center for positions. The report is at the bureau level.	None

304A- Position Allocations – Fund Center and Fund	This report shows the allocated fund center and fund for positions. The report is at the bureau level.	None
304B- Position Allocations – Fund Center and Func Area	This report shows the allocated fund center and functional area for positions. The report is at the bureau level.	None
304C- Position Allocations – Fund Center and Project	This report shows the allocated fund center and project for positions. The report is at the bureau level.	None
304D- Position Allocations – Fund Center and Grant	This report shows the allocated fund center and grant for positions. The report is at the bureau level.	None
304E- Position Allocations – Program Offers, Fund Center, and Func Area	This report shows the allocated fund center and functional area for positions with special attention to program offer levels. The report is at the bureau level.	None
305- Position Summary by Home Bureau and Fiscal Year & Pos End Dates	This report is the 302 with an extra tab that shows position begin and end dates (according to BFM).	None
311- Class Summary by Home Fund Center	This report displays all of the classes by home bureau and home fund center.	None
C1- Comparison Summary by Home Fund Center	This report compares what is currently in the system with and without the budget development year's COLA and provides a "difference" column	None

C2- Comparison Detail by Home Fund Center	This shot also compares projections. In the first prompt, select the projection you would like to see, in the second prompt select the other projection you would like to see. Bureau is required for this report to run.	None
C3- Comparison Job Class Summary – 3 projections	This report shows the following: 1st column is the current without COLA or Merit 2nd column is the current with COLA 3rd column is the current with Merit (you must select the merit increase you are choosing to model) Last column shows what the full cost of the position + COLA + Merit	None
FTE Summary – Adopted	This report should be used to check FTE for the bureau that will be published in the bureau section of volume 1 of the adopted budget.	Based on allocated bureau versus home bureau

### Program Offers

Report	Description	Assumptions
FY 2019-20 Program Offers	This report displays the program offers for FY 2019-20.	As master data is updated, if functional areas move, the budget data associated with them also moves. Thus, it is conceivable that a prior year program offer report may not be exactly what was submitted if bureaus alter the functional area hierarchy tree by moving functional areas (This is why moves are not recommended as a practice).

Program Offer Report	This report combines the narrative information input on the program offer description form, budget data associated with all functional areas that roll up to the six-character functional area and bureau combination identified on the program offer form header, and any FTE allocated to any functional area and bureau combination that rolls up to the six-character functional area and bureau combination identified on the program offer form header.	None
Program Offer Roll Up Key	This report is helpful to identify which 10-character functional areas roll up to specific six-character functional areas (program offer level).	None

### Tech Checks

Report	Description	Assumptions
IA Balancer (available for Requested No DP, Proposed, Approved, Adopted)	<p>This report has five tabs that should be used to make certain that interagency agreements and cash transfers are in balance at the funded program level <i>and</i> project level.</p> <p>Tab 1: IA report totals by funded program. This tab shows each funded program budget data.</p> <p>Tab 2: IAs by Project. For bureaus that use a funded program to indicate an interagency agreement, and a project code, both sides of the expense and revenue must match. This tab displays data by funded program and then project.</p> <p>Tab 3: This tab is an export of all of the data that can be exported and pivoted should the user want it. This tab is also useful to find specific rows of</p>	There is no security on this report so it can be run Citywide.

	<p>information if something is out of balance.</p> <p>Tab 4: Out of Balance IAs. This tab will show any and all funded programs (including cash transfers) that are out of balance. This is at the funded program level- please double check the IAs by project before submitting the requested budget.</p> <p>Tab 5: Detail with commitment item break. This tab is all of the data related to IAs broken out by commitment item.</p>	
Balance by Sub fund	<p>Sub funds should have balanced Expense and Revenue. This report shows the balance by sub fund and includes detailed information to find where a sub fund is "out" of balance. There is conditional formatting in this report that will show any sub funds that are out of balance in red.</p>	None
TC1-IAs & Cash Transfers	<p>This report shows combinations of commitment items and funded programs that are NOT allowable. In addition, there is a tab for interagency agreements that ensures that bureaus are using an allowable funded program- the provider in or receiver in the funded program must align with if the bureau using the funded program and the budget data.</p>	None
TC2- Grants	<p>There are numerous technical checks that need to be completed for grants. This report has each.</p> <p>Tab 1. Grant codes should only be used with Grant Funds. This tab shows where grant codes are used outside of grants funds.</p>	None

	<p>Tab 2. Grants must use 441100 revenue codes. This tab shows where this is violated.</p> <p>Tab 3. Grants must have funded programs input in the budget form. This tab highlights where funded programs are missing.</p> <p>Tab 4. Grants should be balanced in terms of expense and revenue. This tab displays imbalances.</p>	
TC3- Contingency in Debt Funds	Contingency cannot be budgeted in debt funds. This report shows any places in the budget this rule is violated.	None
TC4- Allocation Accounts	Allocation accounts must net to zero at the bureau level for all bureaus.	None
TC5 – Decision Package Tech Checks	<p>This report contains numerous tech checks for decision packages.</p> <p>Each decision package should have balanced expense and revenues.</p> <p>General Fund one-time resources should be requested in the one-time column.</p> <p>General Fund ongoing resources should be requested in the ongoing column.</p>	None
TC7- General Tech Checks	This report will display any data for an improper use of the General Fund commitment items. That includes any 487110, 487120, 487210, or 487220 outside of the General Fund; or any use of General Fund offset accounts (487100 or 487200) outside of Funds Management.	None
TC8 – General Fund Net	This report shows the General Fund net for bureaus in the technical adjustment form (which should be zero).	None

TC9 – Negative Structures	Negative structures arise when budget has been reduced from a specific commitment item in an amount larger than what is available to reduce. This is not allowable. The negative structures report will show any negative structures in the budget.	None
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## ***Budget Monitoring***

### **BMP Development**

#### **Fall BMP**

<b>Report</b>	<b>Description</b>	<b>Assumptions</b>
F4- BMP Amendment Report (Fall Adopted)	Decision Package report that shows the requested adjustment, CBO's changes, and final adopted amount.	None
F4- BMP Amendment Report (Fall Requested)	Decision Package report that shows the requested adjustment, CBO's changes, and final recommended amount.	None
Fall Base Detail & Adjustments AP1 actuals	This report provides detailed base budget information and can serve as a starting place for bureaus to develop their BMP requests. This report also reflects all adjustments entered in BFM.	Uses AP1 actuals as YTD actuals source
Fall BMP Budget Tracking	This report shows all the columns and adjustments for Fall BMP.	None
Fall Budget Tracking – Audit	This report displays fund center, fund, funded program, functional area, grant, commitment item, form definition, form ID, Stage, and each column from Fall Requested through Fall adopted. This data is augmented with time	None

	stamp, user, audit text, and justification text.	
Fall Capital Program Status Update AP1 (and OMF Version)	This report displays prior and current year expense data for CIP programs. This is used as part of Fall BMP Submission.	YTD Actual is based on AP1 Based on Responsible Bureau  Excludes: 601021, 601031, 563500, 563510, 563520, 563600, 563620.  Project not=0  Active flag=1  Expense data only
Prior Year Fund Reconciliation (Bureau and OMF Versions)	This report displays prior year revised budget and actuals as well as the percent of actuals to revised, and narrative entered in the Fall BMP Prior Year Fund Reconciliation Form (1920). This is used as part of Fall BMP Submission.	This report must be run using the three-digit fund.

### Spring BMP

Report	Description	Assumptions

### OEO

Report	Description	Assumptions

### DP Updates

Report	Description	Assumptions
DP Update Report	This report contains data we have historically furnished bureaus with so	None

	they can provide DP updates. The report should be exported to excel, and columns for updates and status must be added.	
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## General Monitoring

When checking actual values in BFM against the budget to actual report “YDRP 63000037- Budget vs. Actual Report” in SAP the following information is important relative to advances. Both value type 61 transactions (in SAP) and expense using account 588301 pertain to advances. There are differences in what SAP displays and what BFM displays and may cause actuals to not “match”.

### Value Type 61 Transactions\* system generated

With advances, when money goes out the door, the City sees an expenditure in budget that hits 529000 in the FM module of SAP, but in the GL module it hits 136100 (an asset) because it means the City has “pre-paid” for something. At the time when the City gets the invoice for whatever it was the City received, a goods receipt is generated which consumes budget in the same account, 529000. At this point, it has been charged “twice”. After the bureau inputs the invoice, this invoice is cleared against the advance and should be a credit in value type 61.

The YDRP37 report in SAP includes value type 61 transactions

BFM and the CAFR do not include value type 61 transactions

BFM does not have value type 61 data because it isn’t a “real” expense. When the money first leaves the City, we do not want to recognize it at that time.

### Commitment Item 588301 \* manually generated

Account 588301 is used to move expenditures from one fiscal year to another and this is done manually by a person.

The YDRP37 report does not include 588301

BFM and the CAFR do include 588301

Report	Description	Assumptions
Monthly Actuals with Drill Down (PY=Prior Year)	This report displays data regarding personnel costs. The report has numerous input controls including: Fund number, Bureau, Division, Sub-Program, and Commitment Item. There	None

	<p>are four tabs. The first tab is used by CBO for Citywide information.</p> <p>Tab 2. Bureau Monthly Actuals displays revenue and expense data for each accounting period that is extracted from SAP.</p> <p>Tab 3. Export Tab displays all the revenue and expense data at the major object level.</p> <p>Tab 4. Export Tab Detail displays all the revenue and expense data at the commitment item level and with all master data.</p>	
Personnel Actuals Detail	This report provides expense data for personnel spending for each accounting period, the adopted, and revised budget. This report also has an export tab for easy export and analysis.	None
Projection Export	This is a report that displays three years of revised budgets and monthly actuals. The report includes bureau, E/R, Fund, and Major Object. This report is used as a resource in CBO to generate projections and is available for bureaus to use as well.	None

### Tech Checks

While there is a folder for each of the Supplemental Budget Processes, these tech checks are the same for each budget process.

Report	Description	Assumptions
IA Balancer (available for Requested No DP, Proposed, Approved, Adopted)	This report has five tabs that should be used to make certain that interagency agreements and cash transfers are in balance at the funded program level <i>and</i> project level.	There is no security on this report so it can be run Citywide.

	<p>Tab 1: IA report totals by funded program. This tab shows each funded program budget data.</p> <p>Tab 2: IAs by Project. For bureaus that use a funded program to indicate an interagency agreement, and a project code, both sides of the expense and revenue must match. This tab displays data by funded program and then project.</p> <p>Tab 3: This tab is an export of all of the data that can be exported and pivoted should the user want it. This tab is also useful to find specific rows of information if something is out of balance</p> <p>Tab 4: Out of Balance IAs. This tab will show any and all funded programs (including cash transfers) that are out of balance. This is at the funded program level- please double check the IAs by project before submitting the requested budget.</p> <p>Tab 5: Detail with commitment item break. This tab is all of the data related to IAs broken out by commitment item.</p>	
<p>Balance by Sub fund by Bureau or Citywide</p>	<p>Sub funds should have balanced Expense and Revenue. This report shows the balance by sub fund and includes detailed information to find where a sub fund is "out" of balance. There is conditional formatting in this report that will show any sub funds that are out of balance in red.</p>	<p>None</p>
<p>TC1-IAs &amp; Cash Transfers</p>	<p>This report shows combinations of commitment items and funded programs that are NOT allowable. In addition, there is a tab for interagency agreements that ensures that bureaus are using an allowable funded program-</p>	<p>None</p>

	the provider in or receiver in the funded program must align with if the bureau using the funded program and the budget data.	
TC2- Grants	<p>There are numerous technical checks that need to be completed for grants. This report has each.</p> <p>Tab 1. Grant codes should only be used with Grant Funds. This tab shows where grant codes are used outside of grants funds.</p> <p>Tab 2. Grants must use 441100 revenue codes. This tab shows where this is violated.</p> <p>Tab 3. Grants must have funded programs input in the budget form. This tab highlights where funded programs are missing.</p> <p>Tab 4. Grants should be balanced in terms of expense and revenue. This tab displays imbalances.</p>	None
TC3- GF Offset Account	The General Fund is the only place where GF Offset is allowed to be used. Please check this report to make sure that bureaus have not accidentally used 487100 or 487200.	None
TC4- Allocation Accounts	Allocation accounts must net to zero at the bureau level for all bureaus.	None
TC5 – Decision Package Tech Checks	<p>This report contains numerous tech checks for decision packages.</p> <p>Each decision package should have balanced expense and revenues.</p> <p>General Fund one-time resources should be requested in the one-time column.</p> <p>General Fund ongoing resources should be requested in the ongoing column.</p>	None

TC7- General Fund Tech Checks	This report will display any data for an improper use of the General Fund commitment items. That includes any 487110, 487120, 487210, or 487220 outside of the General Fund; or any use of General Fund offset accounts (487100 or 487200) outside of Funds Management.	None
TC8 – General Fund Net	This report shows the General Fund net for bureaus in the technical adjustment form (which should be zero).	None
TC9 – Negative Structures	Negative structures arise when budget has been reduced from a specific commitment item in an amount larger than what is available to reduce. This is not allowable. The negative structures report will show any negative structures in the budget.	None
TC10 – Contingency in Debt Funds	Contingency cannot be budgeted in debt funds. This report shows any places in the budget this rule is violated.	None

### ***Bureau Folders***

There is a folder for each bureau (within OMF there are division folders). This is where CBO analysts can put custom reports that are developed for the bureau. It is important to note, these reports may not be as up to date as the reports in the shared folders (Budget Development, Budget Monitoring, Performance, or Other Resources)

### ***General Resources***

#### **Economic Data**

<b>Report</b>	<b>Description</b>	<b>Assumptions</b>
Inflation Factors – 800	This report displays the annual published inflation factors.	None

CAL Targets – 801	This report displays the annual CAL targets by bureau.	None
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### **Other**

<b>Report</b>	<b>Description</b>	<b>Assumptions</b>
Ad Hoc Reporting Tool	This report allows user to select unique combinations of master data they would like to report on with up to 10 columns of budget data. Within the report, users can filter by master data as well. This is the analog to “BRASS ASV Reports.”	None
Z1-Z6	These reports provide a resource for bureaus to see how the master data rolls up. There is an individual report for each type of master data (Fund Center, Fund, Functional Area, Funded Program, Projects, Grants, and Commitment Items).	None

### **Performance Management**

<b>Report</b>	<b>Description</b>	<b>Assumptions</b>
Citywide Performance Dashboard Dataset	This is the dataset that feeds the Citywide Performance Dashboard. It is a data table that comprises every active performance measure and its metadata.	Active flag=1 Performance Measure Cd not=0
Performance Measure Historical Data	This report provides long range historical data for performance measures.	This report has had security removed and can be run by any bureau.
Performance Measure MetaData Key	This report provides an explanation for what fields are required for	This report has had security removed and can be run by any bureau.

	performance measures and how to update them in BFM.	
PM1.Performance Measures	This report is the performance measure values by bureau for annual budget development submission.	None
Prior Year Performance Report with Metadata (with and without division)	This report that should be exported for the PYPR.	None

## BFM Technical Checks

This is a list of technical checks that bureaus should perform before submitting Requested Budgets. The reports discussed below can be found in the BFM reporting folder: [Budget Development – Development Reports – Tech Checks](#).

### 1. General Budget Entry Checks

- a. **General Fund commitment items should only be used with the General Fund.** To make sure that no entries combine General Fund Discretionary (487110, 487120) or General Fund Overhead (487210, 487220) with the wrong fund, use TC7-General Tech Check, Improper Use tab. This report will list any combinations of GF commitment items with incorrect funds. These will need to be fixed.
- b. The **General Fund offset accounts** should not be used by anyone other than the General Fund analyst.
- c. **Increases in General Fund resources should only exist in decision packages** for both General Fund and Non-General Fund Bureaus. TC8- General Fund Net has two tabs: one for the technical adjustment forms, and one for the capital projects forms. The report will list the General Fund net revenue in each form. If there is a row of data, it means that there is a change in the net General Revenue in that form and these will need to be fixed.

### 2. Decision Packages

- a. To make sure that **Decision Packages are balanced** used TC5- DP Tech Checks. Use the DP Balancer Tab. This report will show both revenues and expenses and if they are in the ongoing versus one-time columns. The report provides a net result by column (Revenue-Expense) and if the column is not balanced, the number is shown in Red. This form shows all years.
- b. To make sure that the correct **GF revenue codes are used in the proper columns**, use the TC5- DP Tech Checks. Use the appropriate columns tab to see if 1T commitment items were used in ongoing columns *or* if ongoing commitment items were used in 1T columns.
- c. Decision packages should have unique priorities. Use the Priority Check tab to see how bureaus have prioritized the decision packages.

### 3. Interagency agreements

- a. Use the IA Balancer Reports to see sending and receiving side of the data. Anything “out of balance” will have the variance shown in red in the far column of the report.
- b. The other interagency tech check report (TC1) will show more technical details such as:
  - i. There are three tabs: Internal IA’s, Bureau to Bureau IA’s, and Cash Transfers. Each of these tabs will show where data has been entered into forms with a mismatched funded program and commitment item.

### 4. Grants-TC2 – Tech checks (Grants)

- a. To make sure that grants are only budgeted in grants funds use the Grants & Funds tab. This will show all the places where grants codes were used in non-grants funds. They need to be fixed.

- b. Grants & 441100. 441100 is the revenue code for Grants and should only be used in grants funds. This tab will show all the places that 441100 is being used where it shouldn't be.
- c. Grants & Sponsored Programs. Anytime a grant code is used, there must be a sponsored program entered into the sponsored programs field of the form. Any rows in this report are missing the sponsored program and need to be fixed by the bureau.
- d. Grants Balancer. Grants revenue and expense should be balanced. This tab shows the net for grants that are not balanced.