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 <u>must be</u> 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, predicable, 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:

Program Offer Section	Word Count	Character Count (no spaces)	Character Count (with spaces)
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.