

# Prior Year Performance Report

Fiscal Year 2018-19



City  
Budget  
Office

## Achieving Equitable Outcomes for All Portlanders

Advancement of equity for historically oppressed groups is one of the City of Portland's top priorities. In 2011, the Office of Equity and Human Rights (OEHR or "the Office of Equity") was created to guide equity work Citywide with a specific centering of race and disability equity; in FY 2018-19 the Office of Equity had a Revised Budget of approximately \$2.0 million and 12 FTE. Some of the bureau's key achievements have included the Council's adoption of the Citywide Racial Equity Goals and Strategies, mandating and training the majority of City employees in the Equity 101 course, the creation of the Budget Equity Tool in partnership with the City Budget Office (CBO), and the development of bureau racial equity plans. Over the last few years, individual bureaus have created new positions and reallocated staff time to help operationalize this work, with a current total of approximately 28 FTE serving as equity managers and in other equity-focused roles across City bureaus.

Many bureaus individually track budget performance measures to assess equity in service outreach, access, contracts awarded, workforce diversity, and funding allocations. However, there are very few Citywide centrally-tracked equity performance measures, which limits the City's ability to track holistic progress toward shared goals, identify opportunities and barriers, and hold individual bureaus accountable for results. OEHR tracks and reports Citywide demographic data in an [online dashboard](#);<sup>1</sup> this could be a model for tracking other metrics like contracts awarded to Minority, Women, and Emerging Small Businesses.

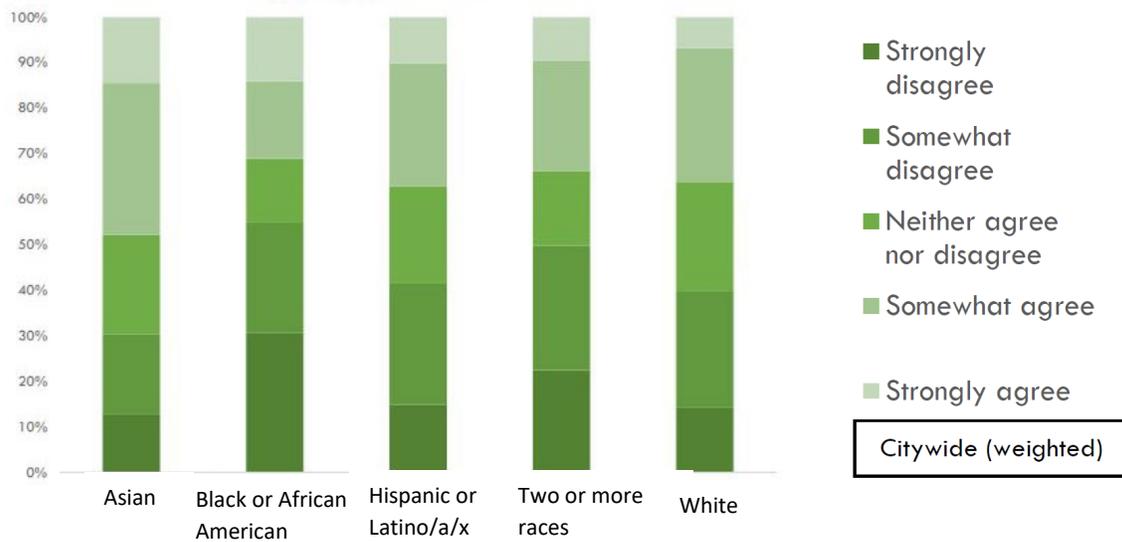
Results from the 2019 Portland Insights Survey provide a snapshot of community members' perceptions on key equity issues for people who live, work, and play in the city of Portland. When asked to respond to the statement, "In Portland, we are making progress on becoming a city where a person's outcomes are not based on their race," approximately 40% of respondents agreed and 40% disagreed. On a separate question, Black residents scored the lack of racial equity as the third most important challenge facing the city, citing this issue more than any other racial group.

In reviewing overall responses for different demographic groups, survey respondents with disabilities tended to be less positive about the future of Portland, less satisfied with Portland as a city to live in, and less satisfied with the safety of their daily commutes compared to citywide respondents.

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<sup>1</sup> <https://www.portlandoregon.gov/oehr/article/595121>

In Portland, we are making progress on becoming a city where a person's outcomes are not based on their race



Source: 2019 Portland Insights Survey

The City of Portland recognizes the role it plays in advancing equity both through direct services and interactions with the community as well as broader-reaching policy creation and implementation. For the last few years, all bureaus have been asked to reflect on this through the Budget Equity Tool referenced above, which seeks to provide a holistic assessment of how equity is prioritized and addressed within bureau budgets. Some key themes that have emerged from these responses include:

- The importance of establishing Citywide data standards, collection, and reporting;
- The need for additional centralized policies, guidance, and accountability for complying with federal regulations related to equity; and
- The opportunities to advance equity in contracting.

### Citywide Equity Frameworks and Data Collection

The Budget Equity Tool and supporting budget documents ask bureaus to explain how they use quantitative and qualitative data to assess how budget allocations benefit and/or burden different communities.<sup>2</sup> These materials seek to identify a) who will benefit from access and services, b) how the bureau will measure these benefits, and c) how equity is embedded in the bureau's decision-making process.

OEHR recently introduced a new tool to help the City better assess these questions. Results-Based Accountability (RBA) is a community centered tool that begins with impact and works

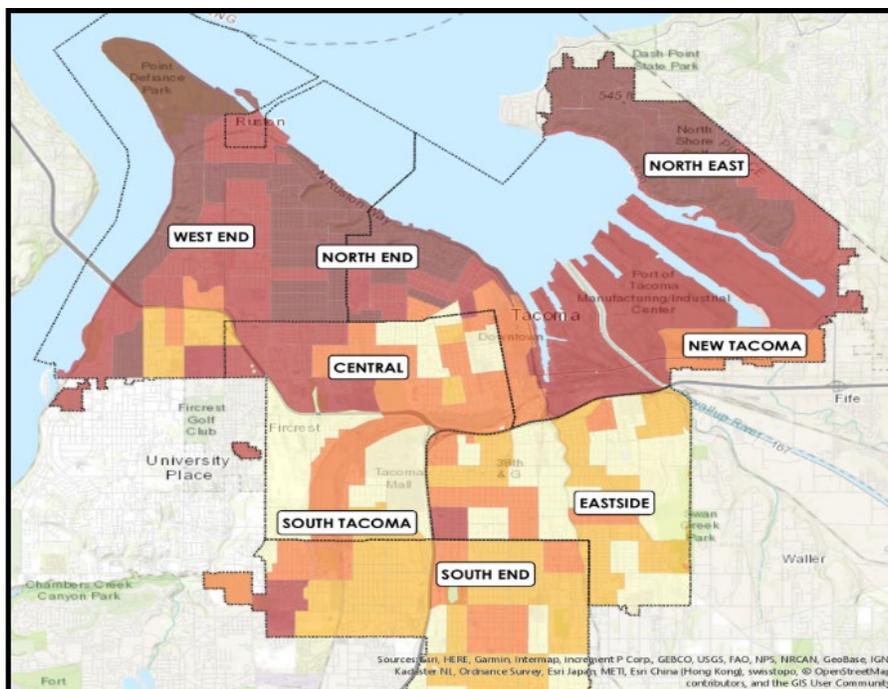
<sup>2</sup> For FY 2020-21 Budget Development, the tool is being updated to request information specifically about how Requested Budgets benefit or negatively impact Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities.

backward to identify solutions that will address the root causes of an issue. In FY 2018-19, OEHR facilitated the City’s first RBA cohort, which trained City staff and leaders in using this data-driven, performance-focused approach to building racial equity in their work. OEHR is using the RBA framework to develop a suite of Citywide shared equity goals and will use RBA to track the impact of bureau racial equity plans in the coming fiscal year. Many of the City’s existing equity-related performance measures can be incorporated into this effort, centering equity more holistically across the City’s performance management systems.

Several additional opportunities to revisit the City’s approach to collecting and reporting on equity data are coming in the current year, including a review and update to the Measures of Success in the Portland Plan from the Bureau of Planning and Sustainability and CBO, and a planned pilot of an end-to-end technology solution for equity metrics by the Data Governance Planning and Analysis Team.

These efforts at increased collection of disaggregated data and centralized data-sharing could enable Portland to establish an [Equity Index](#) similar to the City of Tacoma’s, pictured below. Tacoma tracks 20 measures from a variety of local, regional, and national sources disaggregated to the census block level. These measures roll up to Tacoma’s 2025 Strategic Plan goals of accessibility, economy, education, and livability. The map is intended to help inform where targeted City investments will help address disparities and improve access to opportunity for residents. This index also highlights disability status and accessibility for a more intersectional understanding of equity.

The City of Tacoma’s Equity Index helps target City investments to help address disparities



Source: City of Tacoma Office of Equity and Human Rights

## Supporting Compliance with Federal Regulations

OEHR provides guidance and training, sets policies, and has been charged with ensuring Citywide compliance with the Civil Rights Title VI and the Americans with Disabilities (ADA) Title II Acts. In FY 2018-19, just over 2.0 total FTE (split across multiple positions in OEHR) were dedicated to this work, providing a total of 215 combined consultations that range from brief technical assistance to longer-term projects and policy developments. The bureau had also recently added a new position focused on process documentation and improvements, and policy consultation and development, including work related to the City's new website and 311 program. The implementation of both of these changes will provide new opportunities to track, analyze, and report on data on requests for accommodations. Historically it has been challenging to provide this level of information with a lack of centralized systems, bandwidth limitations for current staff for Citywide compliance, and the limited expertise embedded within individual bureaus. Steps to improve data governance practices will support other ongoing efforts, such as development of a Citywide demographics standard that all bureaus will use when disaggregating data by race; this standard is expected to roll out in early 2020.

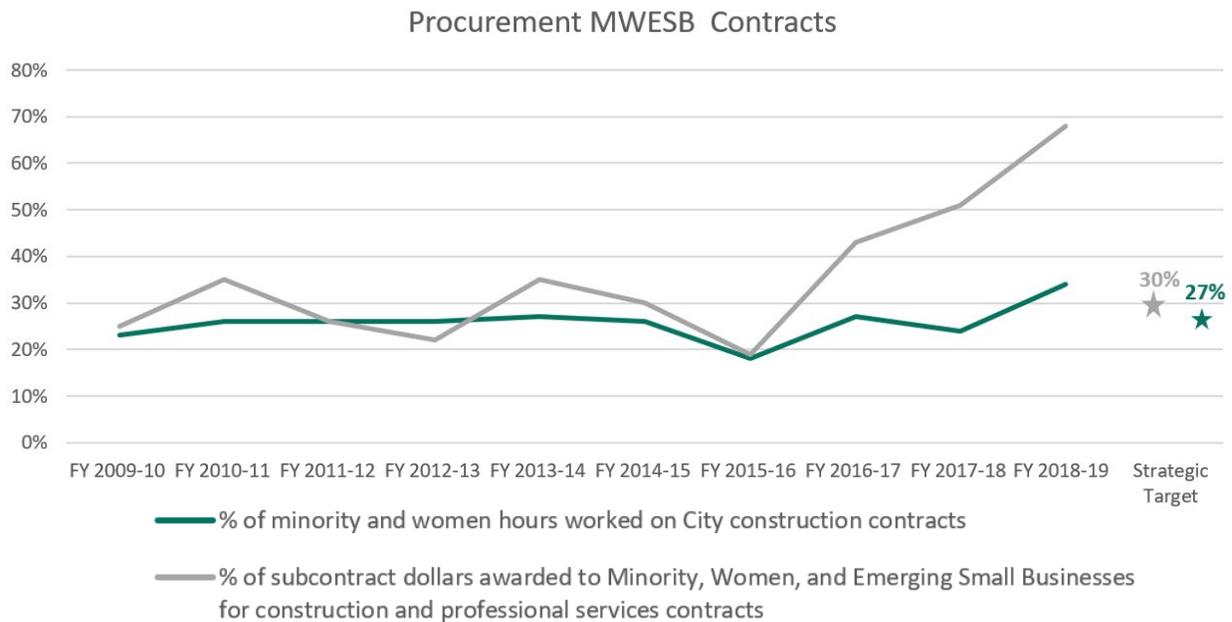
Implementation of these requirements is complex, and although OEHR has developed materials and provides technical assistance, more training resources and support are required so that bureaus understand their obligations, are able to provide adequate accommodations, and prioritize this work within operations, planning, and budgeting. Some specific actions may include:

- Utilizing the new City website and 311 system to provide better centralized information about accommodations and translated materials; for the latter in particular, it has been challenging to identify “essential documents” on a bureau-by-bureau basis.
- Identifying and prioritizing Citywide needs related to federal requirements. OEHR and CBO are working on changes to how the Budget Equity Tool is completed that will facilitate easier analysis and reporting across bureaus, including looking at specific questions related to implementation of the [Racial Equity Plans](#) and [ADA Title II Transition Plan](#), accommodations, hiring and retention, and more.
- Reaffirming the role and authority of OEHR and other partners in establishing Citywide policies. This work requires the support of both leadership and bureau staff to be successful.

## Social Equity in Contracting and Workforce Diversification

The City of Portland has several programs aimed at improving equity and inclusion in the City's contracting and procurement processes. These include the Minority Evaluator Program, the Workforce Training and Hiring Program, and the Prime Contractor Development Program, among others. In FY 2018-19, the Office of Management and Finance (OMF) reported improved performance on some of the measures aligned with

these efforts, such as a 17-percentage-point increase in the *percentage of all subcontract dollars awarded to Minority, Women, and Emerging Small Businesses (MWESB) subconsultants for construction and professional services contracts*, and a 10-percentage-point increase in the *percentage of minority and women hours worked on City construction contracts* (see graph below). However, the *number of prime contracts awarded to MWESBs* decreased from 242 to 168, significantly below the FY 2018-19 target goal of 277. Procurement Services is analyzing the reasons for this decrease and at this time results are inconclusive.



Procurement’s customer bureaus often identify discrepancies between their internal tracking of MWESB participation in contracting and the data provided by Procurement Services. Given the high level of interest from the public and Council on this issue, CBO recommends that Procurement Services work closely with customer bureaus to reconcile reporting issues around social equity in contracting.

*Community Opportunities and Enhancements Program (COEP)*

In FY 2018-19, Procurement Services continued developing the Community Opportunities and Enhancements Program (COEP), created in 2017 by Council via approval of Resolution 37331, which directed OMF and the Office of Equity to develop COEP and bring a funding plan to Council for approval. The City subsequently passed Resolutions 37329 and 37330, making significant alterations to the City’s approach to contracting for public improvements, including the construction, rehabilitation, and replacement of City infrastructure. These resolutions were intended to standardize and expand the City’s efforts to increase participation of disadvantaged, minority, women, emerging small business, and service-disabled veteran business enterprises (D/M/W/ESB/SDVBE) or firms certified by the Office for Business Inclusion and Diversity (COBID).

As part of COEP development, Resolution 37331 stated that 1% of hard construction costs for several pilot large public improvement projects be set aside to support low-income, disadvantaged, minority and women workers in the construction trades and the development and growth of COBID firms. Pilot projects included the Portland Building, Yamhill Garage, and Washington Park Reservoir. It also directed OMF and OEHR to work with infrastructure bureaus and CBO to establish mechanisms for collecting 1% from *all* City public improvement construction contracts moving forward. At the time of the resolution, estimates of the resources for this program were between \$1-2 million per year.

However, several areas of uncertainty have resulted in severe delays of the implementation of this 1% charge. Bond counsel and the Debt Manager have determined that project-specific tax-exempt financing is not an allowable funding source for the COEP, meaning that the 1% charge cannot be paid directly from debt proceeds. Infrastructure bureaus have some tools at their disposal to address this issue, including funding a 1% charge from cash resources. There is remaining uncertainty about whether the 1% charge would be applied to General Fund projects that are funded with limited tax-exempt bond financing or voter-approved GO bonds. If these projects are included, this will result in unanticipated General Fund impacts, as a General Fund subsidy would be required equal to the 1% of project costs.<sup>3</sup> Alternatively, these projects could be exempt from the 1% funding requirement, which would result in less total resources available for COEP programming. There are also administrative challenges associated with comingling ratepayer funding and General Fund resources for the program as ratepayer resources must have clear accounting and documentation as to the 'reasonable applicability' to ratepayer benefit.

In the FY 2018-19 Spring Supplemental Budgeting Process, Procurement Services received one-time bridge funding resources to support a COEP program manager position and resources to support the Prime Contractor Development Program (PCDP). It was expected that this position would eventually be funded by the 1% contribution from projects. However, at this time, no formal action has been taken by Council regarding COEP since the initial resolution was passed in November 2017. Procurement Services states that COEP resolutions and ordinances are expected to be presented to Council in January 2020. However, this action is contingent on the City's ability to address the outstanding questions discussed above. Procurement Services acknowledges that there is a risk that the effort will not move forward if these issues cannot be resolved. If this occurs, or it takes longer than anticipated for the 1% contribution from projects to materialize, there is a risk that the COEP manager and some PCDP program costs would be unfunded in FY 2020-21, absent additional General Fund support.

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<sup>3</sup> At the time of the original resolution, the program was not expected to result in new direct costs to the General Fund.

The City's failure to disburse COEP funds in a timely manner was noted in both the 2016 Portland Building Audit and the June 2019 Follow-up Audit conducted by the City Auditor's Office, as this project is one of the COEP pilot projects.<sup>4,5</sup> Continued delays in disbursement of funds for the pilot CBAs is frustrating to community members and stakeholders, and has the potential to reduce the public's trust in government. To the degree that the COEP structure and funding model, as originally envisioned, is not feasible for implementation on a reasonable timeline or without putting undue administrative burden on the City, other funding mechanisms or programmatic options to further equitable contacting practices should be considered.

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<sup>4</sup>For the full Portland Building Audit, please see the City Auditor's website:

<https://www.portlandoregon.gov/auditservices/article/621904>

<sup>5</sup> For the full Portland Building Follow Up Audit, please see the City Auditor's website:

<https://www.portlandoregon.gov/auditservices/article/733528#auditresults3>