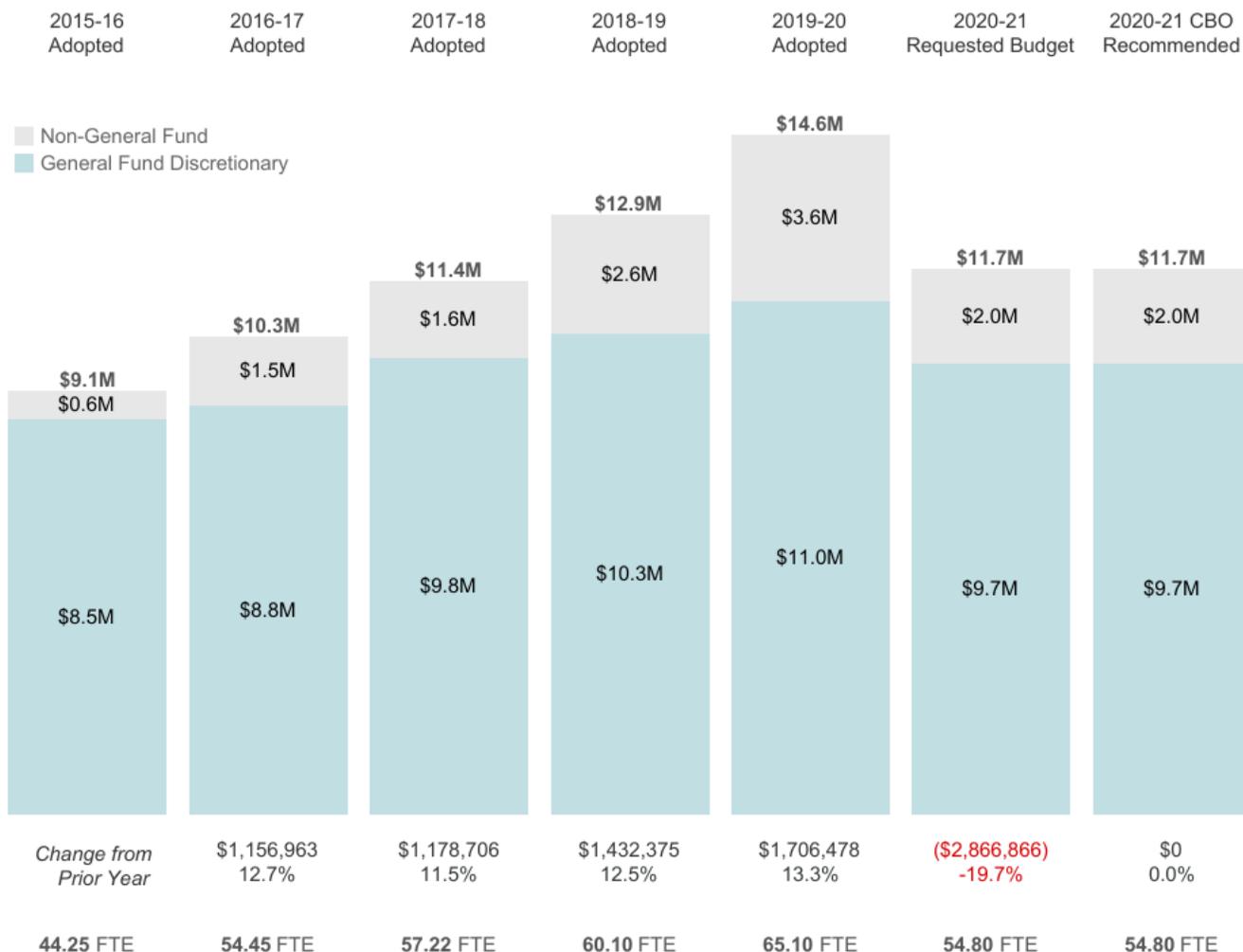




Office of Community & Civic Life

Analysis by Kea Cannon

Adopted Budget Revenues | 5-Year Lookback



INTRODUCTION

The Office of Community & Civic Life’s (Civic Life) FY 2020-21 Requested Budget totals \$11.7 million, including \$9.7 million of General Fund resources and \$1.9 million in charges for services revenues. Civic Life has not requested additional resources but has made internal reallocations within its base budget. This includes adding 1.0 limited term FTE Business Systems Analyst II to solve for bureau-wide technology and database needs, and a 0.5 FTE Administrative Specialist I within the Youth Program to support program activities. Lastly, this requested budget submittal reflects the formal transition of the Citywide 311 system and Information & Referral to the Office of Management and Finance Chief Administrative Officer’s office.

BASE BUDGET KEY ISSUES

Civic Life conducts an internal assessment of its base budget annually as part of seeking opportunities for realignment and efficiencies before requesting new resources from the General Fund. CBO supports the continuation of this best practice for financial management, especially when there is uncertainty in the growth of resources to support status-quo operations. In addition to programmatic highlights, this review assesses the results of the internal realignments and the risks to the bureau's financial forecast.

Advisory Boards and Commissions

In May 2017 City Council passed Resolution 37285¹ directing the City Attorney's Office and the Office of Neighborhood Involvement (now The Office of Community & Civic Life) to formalize an advisory bodies program to standardize rules and policies, and structure and guidelines for the City's various advisory committees.

In FY 2018-19 Civic Life was allocated \$154,510 in General Fund ongoing resources for 1.0 FTE and associated external materials and services (\$30,000) to create and manage the City's Advisory Boards and Commission (ABCs) program. The ABC is responsible for implementing this new strategy and managing the City's estimated 100+ advisory bodies and some 4,000 volunteers. The goal was to do so alongside the Public Involvement Advisory Committee (PIAC) in order to engage the community towards equitable outcomes.²

In this initial phase, Civic Life and the Attorney's Office finalized required recruitment and selection processes, including standardized announcement requirements, application process, legal application review and selection, and instructions for appointments. This work was led by PIAC initially while the bureau hired for the ABC program. This impacted other areas of PIAC work and highlighted the structural challenges of one-FTE programs. Civic Life responded to this by creating the Adapt to Impact program merging four one-FTE programs into one (PIAC, ABC, Mental Health and Disability). Each area provides advising/consulting *functions* to other bureaus, with specialized content. Rebalancing the work of PIAC and ABC just began in July 2019.

At present, the process to add a volunteer to an advisory body can take 1-2 months to complete. The ABC program also finalized required trainings for advisory bodies, including: Public Officials Ethics and Responsibilities, Public Meetings Law and Public Records Law, Discrimination and Retaliation Prohibited, Intro to Shared Equity Language, and Intro to Commissioner Form of Government.³ Trainings are estimated to require 7.5 hours of an individual's time to complete.⁴ Advisory bodies are also required to complete Bylaws and members must complete conflict of interest forms. While each of these steps is important for liability and transparency with potential volunteers, a significant yet undetermined amount of time and work from potential volunteers and City bureau staff is required as a result.

¹ The Portland City Auditor's Office. Archives & Records Management EFiles System. Resolution 37285.

<https://efiles.portlandoregon.gov/Record?q=recAnyWord%3A37285&sortBy=recCreatedOn&pagesize=100>.

² FY 2018-19 Requested Budget submission by the Office of Neighborhood Involvement. Decision Package NI_02 ABC Management Analyst. <https://www.portlandoregon.gov/cbo/article/671185>.

³ The final course is not yet available. Time to complete is estimated based off two of the five trainings estimating 1.5 hours to complete. CBO assumed same time needed per training.

⁴ The Office of Community & Civic Life website. <https://www.portlandoregon.gov/civic/76209>.

In the FY 2018-19 Spring BMP Civic Life identified \$25,000 in carryover resources to invest software systems to support trainings for advisory body volunteers and an online volunteer application tool to help streamline training requirements. Civic Life continues to work with the Bureau of Technology Services (BTS) to adapt NeoGov for advisory board application and tracking processes and should have a finalized solution by June 30, 2020.

In the FY 2019-20 Adopted Budget, City Council directed Civic Life, the Office of Equity & Human Rights, the Bureau of Human Resources, and the City Attorney's Office to research and recommend a decision on a Citywide stipend policy. Civic Life's ABC program has been the lead on this endeavor. Civic Life presented initial findings and recommendations to City Council on February 19th, 2020. Initial recommendations for Council discussion include:

- One-year pilot of having stipends for qualifying volunteers;
- \$360 - \$500 per person stipend, which can include costs associated with food, child-care, and transportation paid for by the bureau/program, or paid out directly;
- The need for focus groups to engage with the community on final recommendations;
- \$20,000 for software to manage stipends; and
- Creation of a Citywide Stipend Fund for General Fund bureaus.

The fiscal impact of these recommendations is estimated to range from \$1.44 million to \$2.0 million in ongoing resources. Civic Life and partners will provide additional information in an upcoming May 2020 work session on the topic, this will outline next steps and possible recommendations.

The Advisory Boards and Commission program provides for standardized and coordinated guidelines and processes to ensure consistency and compliance among advisory bodies and their community member volunteers, where appropriate. The program's FY 2020-21 Requested Budget includes 1.0 FTE and \$179,132, and there appears to be a mismatch between available resources and programmatic service demands. As the position undertook the stipend work directed by the budget note, Civic Life placed the work supporting advisory bodies and bureaus on hold until further notice.⁵ The impacts to advisory bodies, potential volunteers, and groups trying to add new volunteers is unknown at this time, and there is no direction out to advisory boards or bureaus on how to proceed meeting requirements in the interim.

These challenges may be the result of a new program with quick expectations for implementation which is compounded by rising service level demands coming from bureaus in need for volunteer members. As mentioned earlier, the City has over 100 boards and commissions with thousands of volunteers; depending on the level of direct assistance required for these bodies and volunteers, there is the potential for significant capacity constraints. At the time of this review the program has not completed:

- An implementation plan⁶;
- A program budget with true costs and resource needs – including technology;
- Performance measures; and
- Coordination and support from the Public Involvement Advisory Committee (PIAC).

⁵ The Office of Community & Civic Life website for ABC. *Recruitment/Announcement Instructions & Template*. "Attention: All applications intake support will be suspended until late March 2020. Stay tuned for a revised recruitment and application system. You are encouraged to use this time to plan your outreach and gather interest in your board." <https://www.portlandoregon.gov/civic/article/713182>.

⁶ The Office of Community & Civic Life website for ABC. *Implementation Plan*. "This site is under construction. Check back after 6.1.2019 for an update." <https://www.portlandoregon.gov/civic/76172>.

Civic Life states that the impact on service delivery is singularly due to staffing the stipends budget note, and that the challenges experienced also reflect structural challenges of one-person programs. Civic Life states it is currently seeking ways to address workload challenges through program restructuring, identifying possible process improvements, and through the recruitment of casual staff to support this and other Adapt to Impact work.

CBO lauds and encourages the efforts the bureau is making to solve critical workload issues through looking holistically at programmatic and process needs. Due to the critical nature of this work across the City's many bureaus and advisory bodies, there is some urgency to find a resolution to the workload challenge, as the stipends work will continue. If the bureau is unable to reorganize work sufficiently to meet bureau and citywide needs for this program, the bureau may consider whether additional staffing should be prioritized for this work.

In its FY 2020-21 Requested budget, Civic Life proposes the reallocation of \$45,000 for a new 0.5 FTE for the Youth Program in support of the Multnomah Youth Commission (MYC). This request is being matched by the County and will allow the existing Coordinator I supporting the MYC to dedicate time to the larger strategy, partnership building, and advocacy goals of the program. This investment also reflects Civic Life's strategic direction of intergenerational and multicultural approaches to serving a markedly different demographic in 2035 than exists today. This is clearly a high priority investment; however, Civic Life may consider the option of delaying this staffing allocation to focus first on the advisory body work should that work require additional staffing support.

CBO also recommends Civic Life reassess the technology needs of the ABC program and how best to use the previously allocated \$25,000 for the program's technology needs in conjunction with the bureau's plan to add a Business Systems Analyst II position in FY 2020-21. This position will recommend and implement a bureau-wide technology solution supporting multiple programs and in doing so the bureau would ensure technology compatibility, reduce redundancy of investment, and streamline technology purchasing across bureau programs.

Once the ABC program has developed next steps on the stipends work, the CBO recommends the bureau continue identifying true program costs, add performance measures specific to this work, and revisit the initial vision for improving coordination with PIAC within the Adapt to Impact framework. CBO recommends Civic Life conduct this program review in coordination with its Commissioner in Charge to ensure the program is meeting their goals and expectations.

Changes to Program Offers

Business Systems Analyst II

Civic Life proposes to add 1.0 limited term FTE within the Administration Program to support the implementation of technology needs based off a bureau-wide assessment in the current fiscal year. This assessment was co-led by Civic Life and the Bureau of Technology Services (BTS). The assessment reviewed multiple programs' needs and recommended Civic Life add the Business Systems Analyst II to identify a technology solution that meets a bureau-wide data management need. The limited term position is proposed to be funded within the bureau's base budget by reallocating \$87,651 from the Cannabis Licensing, Noise, Liquor Licensing, Advisory Boards and Commissions, Neighborhood Services, and Communications programs.

In the first year this position will focus on the needs of the Cannabis Licensing Fund, therefore 75% of the cost will be supported by the Cannabis Licensing program. The remaining funding will come from a 5% reallocation from the other programs. Funding from the ABC and Neighborhood Services programs is a realignment of planned external materials and services expense. Civic Life states that there are no noted tradeoffs with this decision, as this has been a need across all programs and will result in easier payment processing, better data collection, and ensures proper compliance with programs.

CBO supports this realignment and FTE addition to help address known technology needs, recent Cannabis Licensing Fund Audit findings, and previous CBO assessment for performance data tracking.⁷ As Cannabis Licensing Funds are restricted and must be used to support that program, Civic Life should ensure the Cannabis Licensing Fund is paying its actual proportional share of this cost.

New Program - Communications

For FY 2020-21 Civic Life has created a new Communications program to improve and deliver communication that promotes civic engagement and civic participation within Portland. Civic Life has two Communication Coordinator positions, the addition of this program does not reallocate funds from other programs, rather it formalizes this body of work as a bureau-wide support program for Civic Life needs.

Risks within the Financial Plan

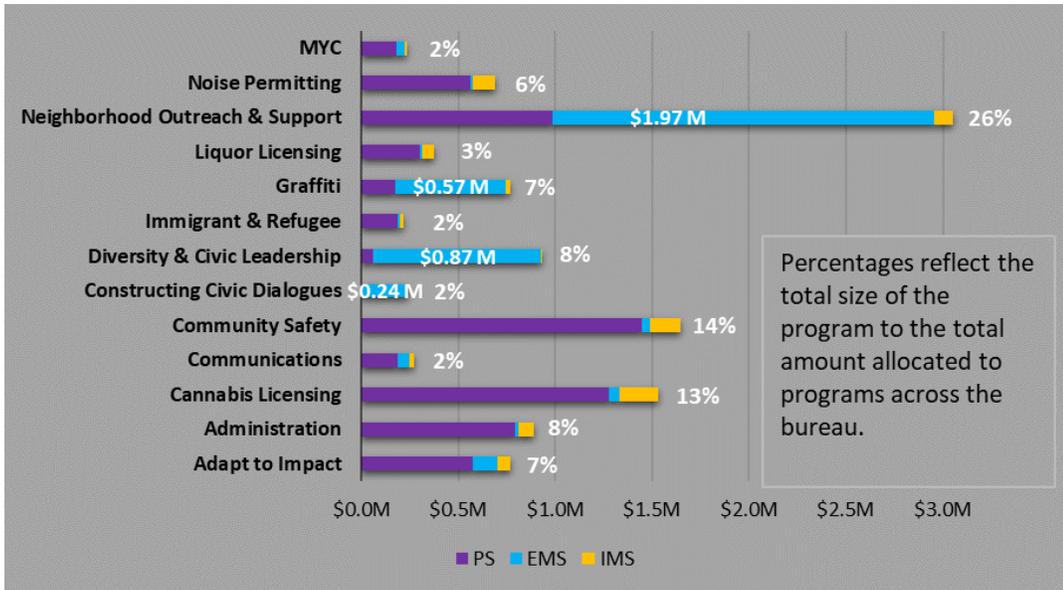
The Office of Community & Civic Life's five-year financial plan for the General Fund is similar to other bureaus across the City. The bureau's costs continue to rise due to inflation, increased PERS, cost of living adjustments, pay equity changes, and the personnel cost impacts from base budget allocation changes. For Civic Life, the General Fund allocation will not keep pace with increasing program costs.

While Civic Life has done a great job in identifying how to add additional FTE and programs within the base budget, the bureau is assuming the General Fund allocation will increase above the City Economist projected inflation rate to support the bureau's cost of operations⁸. However, the General Fund *will not increase above planned inflationary factors*, therefore CBO recommends Civic Life use the provided inflationary factors for General Fund resources in order to identify true risks to its forecast. This recommendation is consistent with advice and instruction provided by the CBO through the Budget Manual and other technical guidance to bureaus conducting long-range planning for General Fund resources. It is anticipated that using the provided inflationary factors for General Fund resources will articulate if Civic Life needs to identify other resources or seek additional efficiencies and possible service level reductions within its five-year financial plan.

⁷ The City Budget Office. Performance Management. FY 2018-19 Prior Year Performance Report. <https://www.portlandoregon.gov/cbo/80183>.

⁸ The Office of Community & Civic Life's FY 2020-21 Requested Budget, Five-Year Financial Plan. <https://www.portlandoregon.gov/cbo/article/752696>. And confirmed by bureau staff.

In order to identify where to implement future offsets, CBO recommends Civic Life heed previous recommendations to add specific program performance measures, and to better track data using



consistent collection methodologies⁹ to help highlight which programs are under performing in its assessment of which programs are core to mission of the bureau, and which are core City services, to better elucidate options for reductions.

The chart (left) illustrates each

program’s expenses by major object cost category. The largest program is the Neighborhood Outreach and Support program with 26% of the entire bureau’s budget. Notably, materials and services expenses in that program alone – at \$1.97 million – exceed total budgets for all other bureau programs. This is the program affected by the bureau’s current code change work; CBO supports and encourages Civic Life to complete its work on code changes for more equitable service levels among the City’s Neighborhood District Coalitions and Neighborhood Associations, considering the most equitable and effective way to allocate these significant resources.

Additionally, CBO recommends Civic Life continue to pursue planned code changes to adjust the Noise permit fee to transition the program to a cost recovery model. Presently the General Fund provides a 72% subsidy for the Noise program, or \$496,769, which could be a resource to address future funding gaps within the bureau. CBO also supports the work of Civic Life and the Office of Government Relations as the City pursues fee increases to support a cost recovery model for the Liquor Licensing program. Presently the General Fund provides a 41% subsidy for this program, or \$153,769, which could also be used to offset funding gaps within the bureau.

Program	General Fund Subsidy
Adapt to Impact	100%
Administration	100%
Cannabis Licensing	0%
Communications	100%
Community Safety	100%
Constructing Civic Dialogues	100%
Diversity & Civic Leadership	100%
Immigrant & Refugee	100%
Graffiti	100%
Liquor Licensing	41%
Neighborhood Outreach & Support	99%
Noise Permitting	72%
Multnomah Youth Commission	100%

Cannabis Licensing Fund Financial Plan

Civic Life’s five-year financial plan for the Cannabis Licensing Fund is also a bit volatile as the program completes a two-year long market study to set the fee for business licenses to only meet cost recovery needs. This is difficult within a new industry that has not yet hit market saturation, is federally illegal, is subject to changes in statewide policy, and will have expense fluctuations based off personnel costs. As the market meets equilibrium, the cost per renewal or license issuance may continue to rise steadily not based off service level demands, but due to rising personnel costs to support the program.

⁹ City Budget Office. FY 2018-19 Prior Year Performance Report. <https://www.portlandoregon.gov/cbo/article/748889>.

Therefore, despite the program’s recent fee reductions to maintain cost recovery; the bureau has included increasing fee costs in the financial plan, which they forecast as necessary to maintain cost recovery over the next five-years.

CBO supports Civic Life’s plan to complete the market study to help assess annual cost recovery needs, ensure there is an annual rate assessment, and clear communication out to the Cannabis business industry clarifying their expectation and understanding of fluctuating costs.

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of the Office of Community & Civic Life’s total budget. Civic Life did not submit any decision packages for additional resources for FY 2020-21. The Requested Budget totals \$11.7 million, a decrease of \$2.8 million or a 20% decrease. This reflects the transition of the 3-1-1 program and Information & Referral to the Office of Management & Finance Chief Administrative Office per Council direction. This reduced Civic Life’s Current Appropriation Level (CAL) and Intergovernmental resources by \$1.7 million, reflecting the transfer of these programs.

Additionally, the FY 2020-21 Requested Budget reflects a \$1.39 million reduction to Miscellaneous Fund Allocation reflecting the process change for requesting Recreational Cannabis Tax Fund resources – which occurs after the requested budgets are submitted. Civic Life does plan to request additional ongoing resources for FY 2020-21 in Cannabis community grants.

Office of Community and Civic Life - All Funds

		2019-20 Adopted Budget	2020-21 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Expense	Personnel	\$7,501,777	\$6,722,706	\$0	\$0	\$6,722,706
	External Materials and Services	\$6,219,895	\$4,036,563	\$0	\$0	\$4,036,563
	Internal Materials and Services	\$848,950	\$927,885	\$0	\$0	\$927,885
	Fund Transfers - Expense	\$0	\$16,602	\$0	\$0	\$16,602
	Total	\$14,570,622	\$11,703,756	\$0	\$0	\$11,703,756
Revenue	Charges for Services	\$1,689,912	\$1,960,684	\$0	\$0	\$1,960,684
	General Fund Discretionary	\$10,463,207	\$9,519,489	\$0	\$0	\$9,519,489
	General Fund Overhead	\$552,594	\$138,419	\$0	\$0	\$138,419
	Interagency Revenue	\$122,411	\$85,164	\$0	\$0	\$85,164
	Intergovernmental	\$352,498	\$0	\$0	\$0	\$0
	Miscellaneous Fund Allocation	\$1,390,000	\$0	\$0	\$0	\$0
	Total	\$14,570,622	\$11,703,756	\$0	\$0	\$11,703,756