

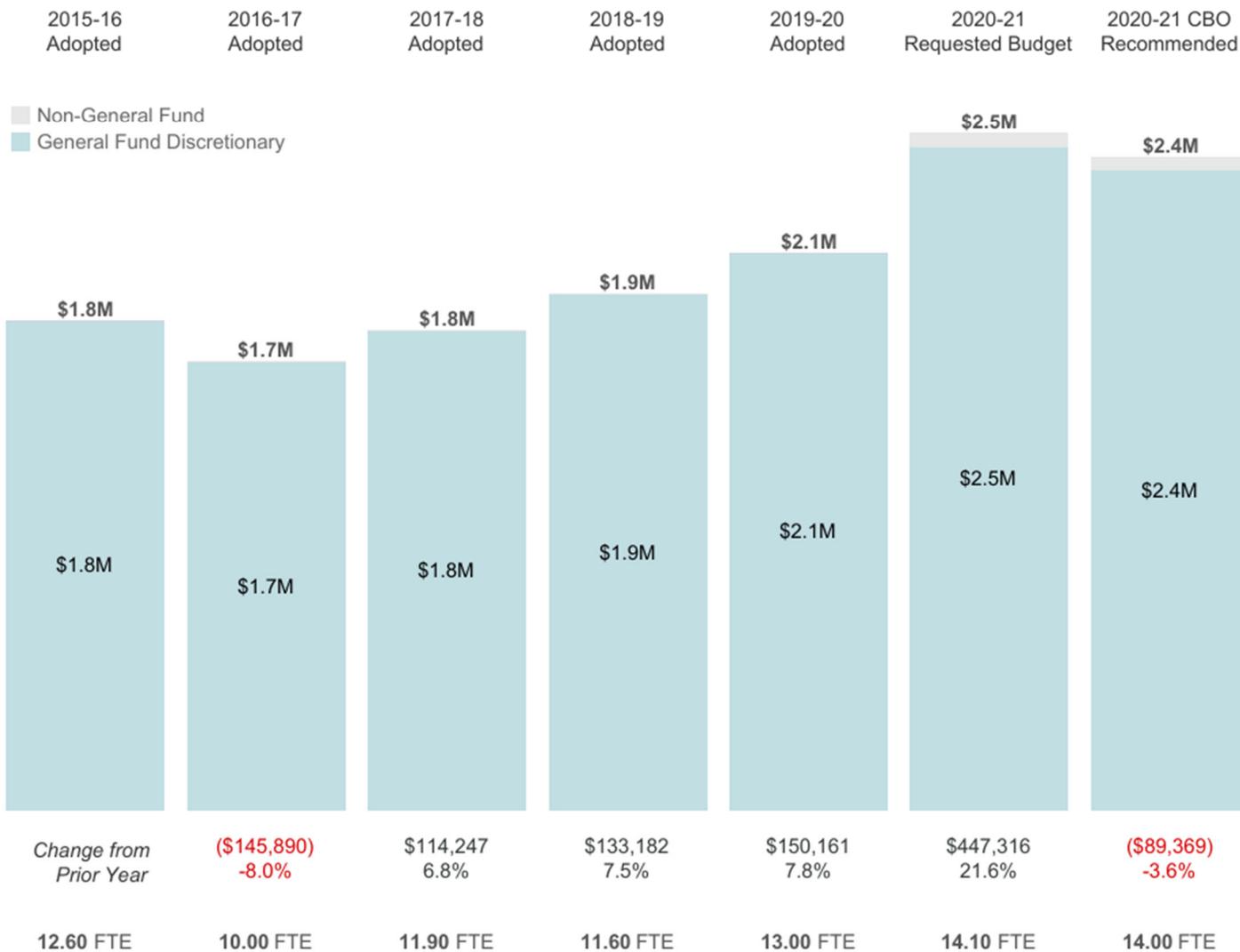


**City
Budget
Office**

Office of Equity & Human Rights

Analysis by David Beller & Jane Marie Ford

Adopted Budget Revenues | 5-Year Lookback



INTRODUCTION

The Office of Equity and Human Rights’ FY 2020-21 Requested Budget includes several notable changes and requests. The bureau’s proposed base budget includes a 55% reduction to the External Materials and Services (EMS) budget from \$190,000 in FY 2019-20 to \$85,000 for FY 2020-21; this proposed reduction is in response to the Office of Equity & Human Rights’ expenses in Personnel Services growing faster than available resources to cover all expense categories. Three decision packages are included in the FY 2020-21 Requested Budget; the goal of these requests is to sustain the Office of Equity & Human Rights’

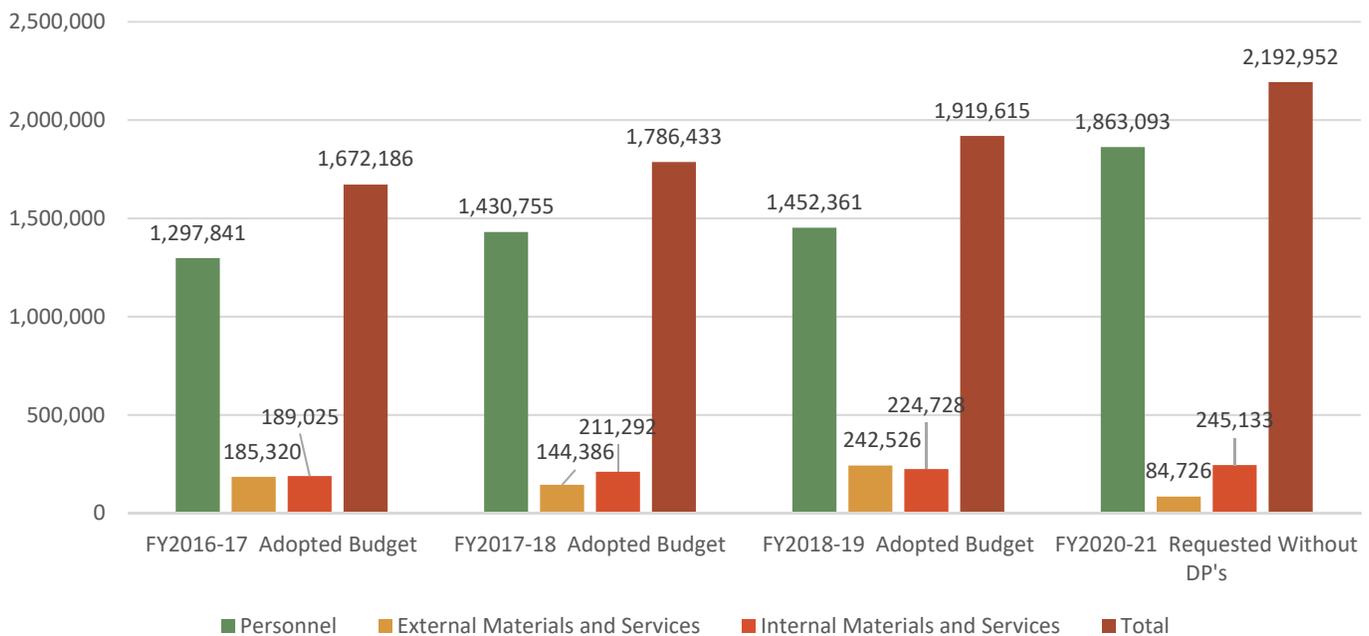
programs and functions at FY 2019-20 budget levels as well as to build the bureau’s capacity with through increased staffing, professional development, and training. The total of these three decision packages is \$319,902 and represents a requested growth in total budget of 20% when compared to the FY 2019-20 Adopted Budget.

The Office of Equity & Human Rights leads Citywide equity efforts through ten Program Offers. Several highlights of the bureau’s work in FY 2019-20 focus on equity training and reporting within the City. The majority of the Citywide training opportunities are dedicated to the Results Based Accountability framework, a data-driven, performance-focused, community-centered tool that helps to address root causes and evaluate outcomes. The integration of the Budget Equity Tool into the City’s budget system in collaboration with the City Budget Office (CBO) is a recent development of a cross-bureau partnership to encourage bureaus to systematize the collection and communication of information supporting the interface between equity and budgeting.

BASE BUDGET KEY ISSUES

The Office of Equity & Human Rights’ budget has grown approximately \$500,000 over the past four years from \$1.67 million in FY 2016-17 to \$2.2 million for the FY 2020-21 Requested Budget (without decision packages). This amounts to a 31% increase or an average annual increase of 8% during this four-year period. Personnel costs have grown to the largest extent, 40% over four years with an average annual increase of 10%. During this same period, there was a 30% expansion in full time equivalents (FTE) from 10.0 in FY 2016-17 to 13.0 in FY 2020-21. The bureau’s Adopted Budget in FY 2017-18 was \$1,786,433 and actuals were \$1,512,596, an underspending of \$273,837. The bureau’s Adopted Budget in FY 2018-19 was \$1,919,615 and actuals were \$1,879,642, an underspending of \$39,973.

OEHR FY 2016-17 to FY 2020-21



Financial Condition and Response

The financial pressure on the Office of the bureau’s budget is likely attributed to combination of several

factors driving significant acceleration of personnel-related expenses in FY 2018-19. These costs have risen beyond resource levels provided through annual planned General Fund resource growth. Recent personnel cost pressures is not an issue that is necessarily unique to the Office of Equity & Human Rights; however, as a smaller bureau within the General Fund, the Office of Equity & Human Rights has less flexibility to absorb changes in discretionary spending. The following factors and decisions have strained the bureau's budget:

- Normal turnover in staff increased payroll costs because new staff were hired with a starting salary significantly higher than their predecessors;
- Internal resources were reallocated to expand a part-time position;
- Staff salaries for several positions were increased as a result of the Bureau of Human Resources reconsideration and Classification Compensation (Class/Comp) process¹;
- Reclassification of one existing staff position into higher paid classification and;
- Actual costs for annual non-rep merit pay increases were not included in the base budget and most eligible employees received full merit awards of 4.1%.

In order to submit a balanced requested budget, the bureau elected to reduce its external materials and services (EMS) appropriation by 55% from FY 2019-20 Adopted Budget levels. Several other smaller changes to reduce expenses are discussed below. The primary deciding factor for the large reduction in EMS is the desire to preserve existing staff levels and keep the current core program functions whole. Additionally, through internal reallocation and reprioritization of work, the Office of Equity & Human Rights has effectively eliminated support for two programs: The Human Rights Commission and the Portland Commission on Disability (details of impacts below).

The bureau expects this level of EMS reduction will negatively impact of the remaining programs; however, this could possibly be mitigated with careful management decisions and focused expense management throughout the year. Over the past three years, the Office of Equity & Human Rights' EMS spending has varied from approximately \$80,000 to \$300,000; during this period the bureau has underspent its EMS budget annually by approximately \$24,000 to \$109,000. Based upon historical underspending, it is possible for the bureau to meet current service levels at some reduced amount of EMS; however, with the currently requested EMS budget at \$85,000, this would require close to record-low levels of spending.

Significant Changes in the Requested Base Budget

The Office of Equity & Human Rights' FY 2020-21 Requested Budget includes several other changes to the Base Budget of note:

- The Portland Commission on Disability will be eliminated as an individual program. This program was created in 2008 and the Office of Equity & Human Rights' budget narrative notes that there are many challenges in the program at present. As such, the work of the Commission will be re-envisioned and integrated into the Office of Equity & Human Rights' Americans with Disabilities Act Title II program instead. The impact of this change is unknown; the goals of the change is to

¹ As part of the Classification and Compensation process, BHR included a reconsideration process which allowed employees to request a higher job classification if they felt that their current position did not adequately reflect their existing job classification.

build new momentum and energy in this focus area.

- The Office of Equity & Human Rights is phasing out its work with the Human Rights Commission and transitioning the volunteer capacity within the Commission to their bureau advisory body and other advisory opportunities within the bureau and around the City. This change would provide additional staff time for other program focuses; those specifics have not been identified. The Commission is expected to continue, but without support from the Office of Equity & Human Rights.
- To reduce personnel costs, the base budget does not include the continuation of a temporary appointment of a Deputy Director position. Instead this position would revert to the previous classification of Coordinator III resulting in a savings \$6,600. This temporary appointment was intended to shepherd through the bureau's strategic plan, which is likely to be completed in the current fiscal year.
- The Financial Services Interagency with the Portland Housing Bureau to provide budgeting support is eliminated (saving \$12,309). This change would require that the Office of Equity & Human Rights rely on its internal staff to complete its budgeting work, a change of this magnitude would require additional staff capacity and training.
- Funding for Diverse Empowered Employees of Portland (DEEP), the program of City employee affinity groups, is reduced from approximately \$15,000 to the prior funding level of \$10,000. This expansion was approved by Council in FY 2019-20 to create more optimal funding for affinity groups; its reduction would reduce the capacity of affinity groups to host culturally specific events.
- The bureau projects that an additional reduction of approximately \$17,456 to Personnel or EMS is needed to balance its base budget (including projected merit and benefit increases) if additional funds are not secured through the requested decision packages. If Council chooses not to fund those requests, further reductions would be required to balance the base budget.

Strategic Opportunities

The need for a formal strategic plan to guide the Office of Equity & Human Rights' work has been a focus of past CBO reviews. The bureau's strategic planning process is near completion with the formal report expected in the spring of 2020. CBO believes this more formal plan is an opportunity for the Office of Equity & Human Rights to clarify roles, responsibility, and potentially bureau authority for Citywide equity goals. This is of special consideration since the City's broader equity efforts have significantly expanded since the Office of Equity & Human Rights was founded in 2011.

The Office of Equity & Human Rights' positive impact on Citywide equity are reflected in its performance measures. The performance measures show that ADA Title II and Civil Rights Title VI programs have reached strategic performance management targets, together providing 300 consultations annually. The Equity Training and Education program provides equity training for more than 500 City employees on an annual basis. CBO recommends that the Office of Equity & Human Rights and City Council consider the following strategic issues:

- The bureau is aware that there is the potential for more data collection and analysis to inform equity work, which presents a clear opportunity in furthering initiatives within the bureau's purview. The newly structured Budget Equity Tool is an opportunity for the collection of Citywide equity measures, and the CBO is in further consultation with the Office of Equity & Human Rights to produce performance measures on a Citywide basis to report progress.

- In addition to the Office of Equity & Human Rights' 13 FTE, there are at least an additional 28 City-wide staff positions operating within bureaus as equity managers or with equity coordination as a primary role. The strategic coordination and collaboration of the Office of Equity & Human Rights' staff and specific bureau equity staff presents a large opportunity to better leverage the overall investment in further equity within the City as a whole. CBO is supportive of the continued collaborative efforts as this acts as a force multiplier for the delivery of the Office of Equity & Human Rights' core service
- All City bureaus were required in 2016 to complete five-year equity plans. There is an opportunity for the Office of Equity & Human Rights to assume a more active role through the encouragement and support of bureau efforts to revise, track progress and refocus equity efforts outlined in the bureau equity plans.

DECISION PACKAGES

The Office of Equity & Human Rights Continuation of Services

DP: 9645, \$100,155, 0.10 FTE

Request Summary

This decision package contains five separate funding requests designed to maintain and/or expand staffing, programs or services. This decision package is designed primarily to restore items cut in the Office of Equity & Human Rights' base budget in order to balance expenses with available resources; this decision package is the bureau's top priority of the three requests submitted.

Offset Summary

No offset was presented.

CBO Analysis

This decision package requests additional resources to allow the bureau to maintain current service levels, expand one position to full-time, and secure additional ongoing resources for a potential personnel shortfall should the bureau not continue to provide support funded by the Portland Committee on Community-Engaged Policing (PCCEP). The decision package includes five decision points for Council's consideration:

- Increase a 0.9 Administrative Specialist position to 1.0 FTE at a cost of \$10,631. This increase would provide the Office of Equity & Human Rights with 2.0 FTE Administrative Specialist positions rather than the current 1.9 FTE in this classification. This request is based upon the fact that the bureau will assume responsibility for accounts payable, accounts receivable and contracts management duties that were previously provided by the interagency agreement with the Portland Housing Bureau.
- Continue the appointment of the Deputy Director position rather than reverting to the former Coordinator III classification at a cost of \$6,600. This request would approve the ongoing resources for a Deputy Director position.
- Maintain the interagency agreement with Portland Housing Bureau for financial planning support at a cost of \$12,309. This position provides expert budgeting support for the Office of Equity & Human Rights. Without this funding, the Office of Equity & Human Rights would need to rely on its internal staff to complete and monitor its annual budget, which would require additional staff time and capacity for managing financial operations.

- Increase ongoing support for personnel at \$65,051. CBO reiterates that the Office of Equity & Human Rights has partially funded this gap in its base budget through reductions to external materials and services covering all but \$17,456 of anticipated FY 2020-21 personnel costs (including merit increases as directed in the Mayor’s Budget Guidance). If this request were funded, the bureau would reallocate funding in the base budget to backfill EMS reductions.
- Maintain funding for the DEEP program at approximately \$15,000 versus reverting to previous funded levels of approximately \$10,000. This increase in funds was recently approved in FY 2019-20 to provide affinity groups with greater resources for their events. Without this funding, employee affinity groups would have less funds to host culturally specific events.
- One notable element of this decision package is that EMS funds are not substantially restored; \$5,558 would be restored to EMS for DEEP. See DP 9647 below for analysis of the restoration of EMS to previous levels.

As discussed in the base budget analysis, the Office of Equity & Human Rights has made significant reductions to the ongoing EMS appropriations in effort to maintain core bureau services. This significantly restricts the bureau’s ability to support the Equity Training and Education program, which in turn is likely to have negative impacts on progress made for Citywide equity goals. CBO recommends partial General Fund ongoing funding of this package to support staffing and program levels that do not substantially reduce current bureau functions. A sudden reduction in capacity to the Office of Equity & Human Rights prior to the bureau’s release of a new strategic plan could hamstring the bureau’s ability to move forward productively and could be disruptive to the City’s overall equity efforts. CBO recommends funding level be set to sustain program and function levels to preserve the continuity of current services.

CBO estimates \$148,000 as the EMS level needed maintain the Office of Equity & Human Rights programs and services based on prior year patterns, current plans and program realignments within the bureau. CBO recommends additional one-time General Fund resources to provide the bureau flexibility as it transitions the Results Based Accountability training model and determines the level of ongoing support truly required upon the completion of the bureau’s strategic plan. CBO recommends the EMS and specific position additions be one-time rather than ongoing pending the release of the Office of Equity & Human Rights’ strategic plan; at that time the ongoing EMS and personnel needs can be measured. CBO recommends the following:

- One-Time funding for the Deputy Director position of \$6,600.
- One-Time funding for the Administrative Specialist at \$10,631
- One-Time funding of \$58,232 for EMS.
- Ongoing funding for interagency agreement for financial planning at \$12,309
- Ongoing additional funding for DEEP at \$5,558
- Ongoing funding for personnel at \$17,456.

The bureau’s budget includes interagency funding totaling \$47,595 from PCCEP based on services to be provided by the Office of Equity & Human Rights in FY 2020-21. The bureau notes that PCCEP may not be renewed in future years. Identification of the Office of Equity & Human Rights’ ongoing role in PCCEP should be articulated in the strategic plan and considered in determining resource needs moving forward.

CBO Recommendation: \$35,323 ongoing, \$75,463 one-time | 0.00 FTE

Professional Learning and Technical Assistance

DP: 9647 \$100,000, 0 FTE

Request Summary

This decision package request is for \$100,000 in ongoing General Fund resources to support training and professional development broken out as: \$50,000 for Results Based Accountability (RBA) training for the Office of Equity & Human Rights staff and bureau staff, and \$50,000 for general the Office of Equity & Human Rights staff and bureau professional development. This is the bureau's second priority decision package.

Offset Summary

No offset was presented.

CBO Analysis

Training is an important core function of the Office of Equity & Human Rights, and the RBA framework is now the official framework for operationalizing equity. This decision package would provide funding to continue hiring outside trainers and consultants to support the implementation of this framework throughout the City. The Office of Equity & Human Rights reports that this work is valued by many City employees and bureau equity leaders.

The bureau has indicated its plan is to transition to a model where the training and support is conducted in-house (between the Office of Equity & Human Rights and trained bureau counterparts), therefore lessening the reliance on outside consultants. The decision package narrative states that the Office of Equity & Human Rights "expects payment" for bureaus sending its staff to a second RBA cohort training, which is consistent with the Fall Supplemental Budget recommendation from CBO. The Office of Equity & Human Rights may want to collect data to determine if this model for expense recovery works for participating bureaus and does not develop into a barrier for attendance.

Professional development is an important practice for enhancing staff effectiveness, morale and retention. The additional request of funds for equity focused professional development could help realize these benefits by building the Office of Equity & Human Rights' and bureau staff skills around equity. That said, the general professional development component of this funding request appears open-ended and not specifically defined. Some different possible approaches and topics are mentioned: nationally recognized speakers, two-day seminars, and tribal relations. CBO recommends the bureau develop a more precise plan that differentiates what services are specifically for the Office of Equity & Human Rights' staff and which are for general City staff to better inform the level of ongoing commitment to professional development opportunities within the bureau. CBO has concerns that additional funding for training is not timely until the completion of the strategic plan. CBO recommends that City Council reconsider providing additional general professional development support on an ongoing basis once more precise training needs and plans are stated in the context of the bureau's pending strategic plan.

CBO Recommendation: \$0 ongoing | \$0 one-time

Civil Rights Title VI Program Increase

DB:9646, \$123,985, 1.00 FTE

Request Summary

This decision package requests an additional position, 1.0 FTE, for the Civil Rights Title VI program,

bringing the total support for this program to 2.4 FTE. This is the bureau's third priority of three proposed decision packages.

Offset Summary

No offset was presented.

CBO Analysis

The Office of Equity & Human Rights is responsible for the administration of policy, planning, and implementation of Title VI of the Civil Rights Act, working to ensure that all Portlanders have access to all City programs, services, and activities; that all Portlanders are able to participate in public processes and decision-making (including those with limited English proficiency); and that people of color or low-income communities do not disproportionately experience negative impacts.² The bureau notes in the decision package narrative that the Office of Equity & Human Rights lacks the needed resources for optimal training, consulting, and facilitation of Title VI Bureau Liaisons. Full City compliance with this legislation is important in terms of the legal, ethical, and social justice implications.

As CBO³ and a previous audit⁴ have highlighted, additional resources are likely required to support Citywide compliance efforts. CBO recommends funding this requested position as a first step toward a more holistic assessment of the City's Civil Rights Title VI needs, with a suggested focus on:

- Data collection, analysis, and reporting;
- Clarifying the roles of the Office of Equity & Human Rights, City Attorney's Office, Risk Management Division in the Office of Management & Finance, and individual bureaus in meeting the City's collective responsibilities under Civil Rights Title VI; and
- Through a risk assessment and equity lens, identifying key priority strategies for identifying and eliminating barriers to access in City policies, plans, programs, practices, services, and operations.

CBO Recommendation: \$123,985 ongoing | 1.00 FTE

² Description draw from ADM-18.01 – City of Portland Civic Rights Title VI Plan. Available at <https://www.portlandoregon.gov/citycode/article/462588>.

³ See City Budget Office, FY 2018-19 Budget Review. March 2018. Available at <https://www.portlandoregon.gov/cbo/article/675819>; and City Budget Office, FY 2018-19 Prior Year Performance Report. December 2019. Available at <https://www.portlandoregon.gov/cbo/article/748889>.

⁴ Portland City Auditor, December 2016. "Americans with Disabilities Act: Coordination gaps complicate City response." Available at <https://www.portlandoregon.gov/auditservices/article/620521>.

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of the Office of Equity & Human Rights' total budget.

Office of Equity & Human Rights - 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	\$1,654,777	\$1,863,093	\$202,034	(\$47,601)	\$2,017,526
	External Materials and Services	\$189,884	\$84,726	\$107,788	(\$41,768)	\$150,746
	Internal Materials and Services	\$225,115	\$245,133	\$14,318	\$0	\$259,451
	Total	\$2,069,776	\$2,192,952	\$324,140	(\$89,369)	\$2,427,723
Revenue	Charges for Services	\$0	\$5,000	\$0	\$0	\$5,000
	General Fund Discretionary	\$1,217,486	\$1,147,693	\$147,783	(\$40,744)	\$1,254,732
	General Fund Overhead	\$852,290	\$992,664	\$176,357	(\$48,625)	\$1,120,396
	Interagency Revenue	\$0	\$47,595	\$0	\$0	\$47,595
	Total	\$2,069,776	\$2,192,952	\$324,140	(\$89,369)	\$2,427,723