





## Developing the FY 2020-21 Budget

### FY 2020-21 Police Bureau Budget and Marginal Changes Across Phases of Budget Development

	Base Budget		Mayor's Proposed Budget		Approved Budget		Adopted Budget
Total Budget	\$248.3M		\$246.2M		\$244.6M		\$229.5M
General Fund Discretionary	\$211.4M	-\$8.9M	\$206.3M	-\$1.6M	\$204.7M	-\$15M	\$196.3M
Other Budget Actions			-\$6.7M		-\$6.7M		-\$6.7M

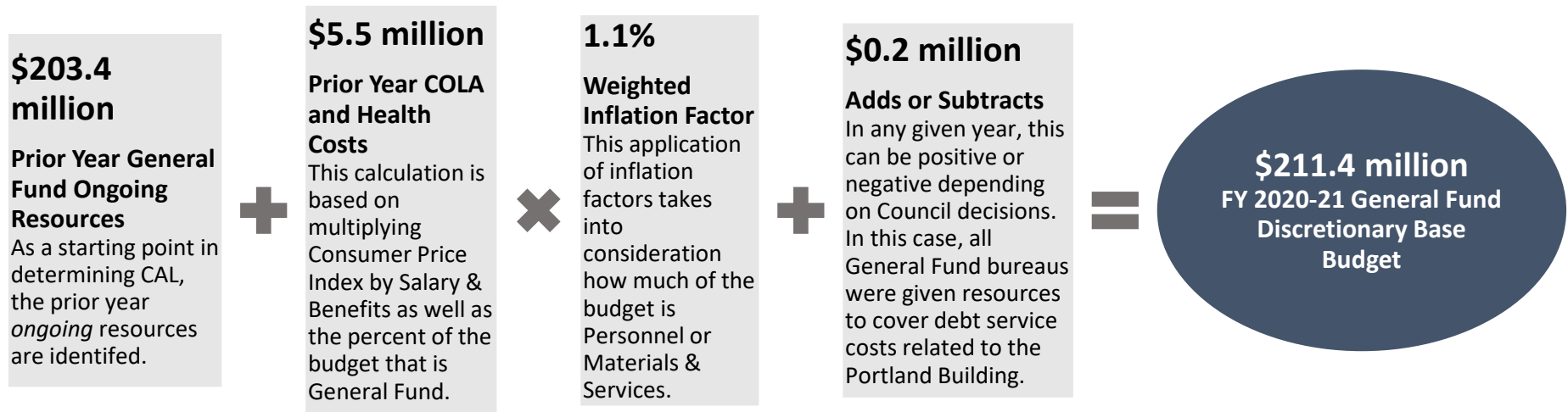
### FTE Changes Across FY 2020-21 Budget Development

	Base Budget	Change	Adopted Budget
 Professional Staff	305	-4	301
 Sworn Staff	1001	-84	917

### Base Budget Information & Changes

Each year, the annual budget development process begins with the City Budget Office developing Current Appropriation Level (CAL) targets for all General Fund bureaus, which functions as the bureau's base budget General Fund allocation for the year to come. These CAL targets provide increased General Fund discretionary allocations for assumed inflationary increases, cost of living (COLA) and health increases that went into effect the prior year, and increases or decreases for any other Council-approved changes. The Police Bureau's FY 2020-21 Base Budget included **\$211.4 million** in General Fund discretionary resources, calculated as shown below.

## Developing the Police Bureau's FY 2020-21 General Fund Discretionary Base Budget



At the start of FY 2020-21 budget development, the Police Bureau's base budget totaled **\$248.3 million, including the \$211.4 million General Fund discretionary allocation**. In total, this represented a \$10.1 million increase over the FY 2019-20 Adopted Budget of \$238.2 million. The \$10.1 million increase over the prior year included a \$7.6 million in increased General Fund discretionary resources (3.7%), or CAL, to account for the inflationary factors, COLA, and health benefit cost increases noted above. The bureau also budgeted \$36.9 million in non-discretionary resources, a \$2.5 million increase over the prior year. The most notable increases in non-discretionary resources over the prior year were for anticipated increases in interagency revenue from FPDR (for retirement and disability coverage) and in intergovernmental revenue.

### *Mayor's Proposed Budget Changes*

In response to the initial \$75 million forecasted reduction in General Fund resources due to the COVID-19 pandemic, the **Mayor directed the Police Bureau to take \$11.8 million in General Fund discretionary reductions, amounting to a 5.6% reduction**.

- \$5.1 million of the 5.6% reduction was directly reduced in the Police Bureau in the Mayor's Proposed Budget. These reductions included: estimated cost savings associated with furlough, pay freezes, vacancy savings, the removal of inflationary increases for external materials & services, the elimination of the Body Worn Camera program funding and associated positions, and several smaller items.
- An additional \$3.4 million in centrally budgeted General Fund resources set aside for the Police Bureau's FY 2020-21 COLA increases was reduced, and the Police Bureau was directed to identify another \$3.3 million in General Fund reductions as part of the Fall Budget Monitoring Process (BMP).
  - Neither of these reductions is visible in the Police Bureau's budget; the COLA resources were centrally budgeted by the City Budget Office and the Fall BMP reduction has been directed but has not yet occurred.

- Technical adjustments affecting non-discretionary resources were also made as part of the Mayor’s Proposed Budget, the largest of which was a transfer of \$3.0 million from technology replacement reserves into the Police Bureau’s budget to fund the replacement of the bureau’s records management system.

#### *Budget Committee (Council) Approved Budget Changes*

As part of the Approved Budget, City Council collectively decided to redirect \$1.9 million in General Fund discretionary resources from the Police Bureau that funded a sobering services contract that had ended. These resources were instead budgeted in a policy set aside for future allocation for a new sobering services contract. Also as part of the Approved Budget, Council allocated \$0.3 million in new General Fund discretionary resources to cover anticipated cost increases associated with the ratification of the Portland Police Commanding Officers Association (PPCOA) labor agreement.

#### *Council Adopted Budget Changes*

As part of the final Adopted Budget, **City Council voted to further reduce the Police Bureau’s budget by \$15 million and eliminate 84.0 sworn positions**. These amendments reduced the Police Bureau budget by \$8.4 million in General Fund discretionary resources and \$6.6 million in non-discretionary resources.

- Gun Violence Reduction Team; \$5.4 million General Fund discretionary reduction and elimination of 38.0 sworn positions
- School Resource Officer Program; \$1.9 million General Fund discretionary reduction and elimination of 14.0 sworn positions
- Special Emergency Reactions Team (SERT); \$1.1 million General Fund discretionary reduction and elimination of 8.0 sworn positions
- Transit Division; \$4.3 million reduction in non-discretionary intergovernmental resources from TriMet and elimination of 24.0 sworn positions
- Recreational Cannabis Tax Allocation; \$2.3 million reduction in non-discretionary Recreational Cannabis Tax allocation supporting the Traffic Division

## Summary of Total PPB Budget Changes

Summary of PPB Budget Changes by Phase - FY 2020-21		General Fund discretionary	All Funds	FTE
Base/Requested Budget		\$ 211,394,729	\$ 248,294,843	1,306
Proposed	Mayor's Proposed Budget reductions (part of 5.6% reduction total)	(\$5,090,404)	(\$5,090,404)	-4
Proposed	Transfer in of \$3M for records management system project	-	\$3,035,000	-
Proposed	Adjustment to external revenues in Police Special Revenue Fund	-	(\$69,635)	-
Approved	Sobering contract resources pulled out of Police Bureau budget	(\$1,912,036)	(\$1,912,036)	-
Approved	PPCOA labor agreement costs	\$309,092	\$309,092	-
Adopted	Combined amendments for Adopted (SERT, Transit, Cannabis, SRO, GVRT)	(\$8,391,018)	(\$15,040,118)	-84
Adopted Budget Total		\$ 196,310,363	\$ 229,526,742	1,218

Net Change from Police Bureau Base Budget to Adopted Budget reflected in budget system	(\$15,084,366)	(\$18,768,101)
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### Reductions that are not reflected in Police Bureau's Adopted Budget:

Police Bureau COLA, centrally budgeted (part of 5.6% reduction total)	(\$3,425,965)	(\$3,425,965)
Fall BMP reduction yet to be taken (part of 5.6% reduction total)	(\$3,321,000)	(\$3,321,000)

Sum of all reductions (including Fall BMP and COLA actions)	(\$22,140,423)	(\$28,789,523)
Sum of 5.6% reductions and Adopted amendment reductions	(\$20,228,387)	(\$26,877,487)

The \$26.9 million, or approximately \$27 million, reduction total for the 5.6% reductions and the package of Adopted Budget amendments has been commonly cited as the total reduction to the Police Bureau's budget in FY 2020-21. This is an accurate representation of total reductions taken in response to COVID-19 economic impacts and community interest to reinvest Police Bureau funding in other programming. It does not, however, include the \$1.9 million reallocation of the sobering services contract or net out the offsetting impact of other revenue changes (e.g. records management system transfer, PPCOA labor contract costs).

### PPB Funding Reallocation Decisions

As part of the final Adopted Budget, City Council made reallocation decisions for the General Fund discretionary and Recreational Cannabis Tax reductions made to the Police Bureau as part of the amendments that passed.

- City Council voted to reallocate **the \$8.4 million in General Fund discretionary reductions** as follows:
  - \$4.8 million to the Portland Street Response program
  - \$1.0 million to a Black Youth Leadership Development initiative
  - \$1.0 million to a participatory budgeting process with the houseless community
  - \$68,389 to add a Tribal Liaison position in the Office of Government Relations (remainder is funded with General Fund Overhead resources)

- \$56,528 to add a Civil Rights Title VI Program position in the Office of Equity and Human Rights (remainder is funded with General Fund Overhead resources)
- \$1.47 million in contingency for future allocation by Council
  
- City Council voted to reallocate the **\$2.3 million in Recreational Cannabis Tax resources** as follows:
  - \$453,000 allocated to Civic Life for Social Equity Grants, bringing the total FY 2020-21 allocation for Social Equity Grants to \$1 million
  - \$1.85 million in contingency in the Recreational Cannabis Tax fund for future allocation by Council

If you have questions about information in this document, please contact the City Budget Office at [citybudgetoffice@portlandoregon.gov](mailto:citybudgetoffice@portlandoregon.gov).