



**City
Budget
Office**

Office of Community and Civic Life

Analysis by Angela Butel

SUMMARY

Required General Fund Reduction

To meet its required Fall BMP General Fund reduction of \$131,000 (which is in addition to the \$421,541 General Fund reduction already taken in the adopted budget), the Office of Community and Civic Life (Civic Life) proposes not to run the Small Grants program, which is administered by the Neighborhood District Coalitions, in FY 2020-21. In addition, the bureau proposes to eliminate current-year funding for one Community Service Aide position and delay hiring of a second Community Service Aide position, and to eliminate current-year funding for the Spirit of Portland Awards, which were cancelled this year. Due to reduced workload related to COVID-19, the bureau anticipates little impact from the personnel actions. See additional analysis of the Small Grants program reduction below.

Key Decisions for Council

Civic Life has submitted several technical and routine Fall BMP requests, but none that rise to the level of being key decision points for Council.

Budget & Fiscal Monitoring: Extent of COVID-19 Impacts Will Depend on Duration

- Civic Life receives fee-based revenues from some of its programs, including the Noise Program and Liquor Licensing. The bureau reduced revenue projections for both programs in the FY 2019-20 Spring BMP; though revenues did not decrease as much as projected in FY 2019-20, Civic Life is further reducing its Noise Program revenue projections in this Fall BMP. These revenues support enforcement of the City's Noise Code and processing of noise variances permits for events and construction. For the time being the bureau plans to offset this reduction by holding a Code Specialist II position vacant. However, this will be a revenue stream to monitor depending on the duration of the ban on large gatherings, which is one of the primary sources of noise variance revenue.
- In FY 2019-20, Cannabis Licensing actual revenues were nearly 93% of budgeted revenues despite a slowdown in licensing revenues in the last several months of the year. The bureau notes that zoning changes the City implemented in May 2018 opened new areas of the city to cannabis businesses, boosting license applications in the first half of FY 2019-20. COVID-19 impacts to businesses, combined with delays in licensing at the State level, have led to a slowdown in applications for new and renewed licenses, which has continued into the beginning of FY 2020-21. At this time this is not a major concern as the program has a sizable fund balance.
- Civic Life's Fall BMP request includes nearly \$1.0 million in carryover funds, including \$200,000 in General Fund discretionary resources and \$800,000 in Recreational Cannabis Tax funds. The majority of these funds are for grants to community organizations for FY 2019-20 Small Grants in

the General Fund and Social Equity & Educational Development (SEED) Grants in the Recreational Cannabis Tax fund. Due to the timing of competitive grant processes, it is typical for these grants to span multiple fiscal years; however, in FY 2019-20 a significant number of grants were finalized immediately before the end of the fiscal year. The bureau notes several factors, including staff transition, issues with an advance clearing for the Northeast Coalition of Neighborhoods small grants, and COVID-19-related delays, that slowed timelines in FY 2019-20. As described above, the bureau does not plan to conduct the Small Grants process this year; for the SEED Grants, the bureau is making significant process changes and anticipates selecting grant recipients somewhat earlier in the year to facilitate getting this year's \$1.0 million allocation into the community.

ADDITIONAL ANALYSIS

Small Grants Program

When including FY 2020-21 Small Grants in the bureau's required one-time General Fund reduction, Civic Life considered reductions already absorbed by other programs during budget development as well as the tradeoffs of additional reductions. The Small Grants program provides modest grant support to community organizations, ranging from \$500 to a couple thousand dollars. Though grant recipients are often very small community organizations that may lack the capacity to pursue other grant funding, they also often use the grants for in-person trainings and events, which are not currently happening due to the pandemic. In cases where grantees have transitioned their programs online or pivoted to meet other community needs, the nonprofit neighborhood coalitions may fundraise to continue supporting them.¹

In addition to weighing these tradeoffs, Civic Life has been considering several questions about the program's structure. Given the program scope, with less than \$100,000 divided among seven coalitions, coalition staff must run full grant application review processes—dedicating significant staff time and capacity—for a relatively small amount of funding. In addition, Civic Life has been reexamining the program's relationship to the City's procurement processes. Pausing the program for a year will allow the bureau to deliberate on the program's structure to ensure that it is as efficient and equitable a way as possible to support important neighborhood-level work across Portland communities.

¹ Two neighborhood coalitions are staffed by City employees and are not able to fundraise from outside sources. Civic Life is in conversation with these coalitions about possible ways to redirect other program dollars to community support.

SUPPLEMENTAL BUDGET CHANGES TO ALL FUNDS

The Office of Community and Civic Life's budget includes resources in the General Fund, Cannabis Licensing Special Revenue Fund, and Recreational Cannabis Tax Fund. The majority of the requested changes reflected below are related to encumbrance carryovers, primarily for grants to community organizations that span multiple fiscal years. The net result of all requested changes is a 6% increase to the bureau's total budget compared to the FY 2020-21 Adopted Budget.

	Current Revised Budget	Bureau Requested Changes	CBO Recommended Changes	Total Recommended Revised Budget
Resources				
Charges for Services	\$ 1,959,202	\$ (159,318)	\$ -	\$ 1,799,884
Interagency Revenue	\$ 85,164	\$ -	\$ -	\$ 85,164
Miscellaneous Fund Allocation	\$ 1,000,000	\$ 762,069	\$ -	\$ 1,762,069
General Fund Discretionary	\$ 9,508,648	\$ 142,987	\$ -	\$ 9,651,635
General Fund Overhead	\$ 129,238	\$ -	\$ -	\$ 129,238
Total Resources	\$12,682,252	\$745,738	\$0	\$13,427,990
Requirements				
Personnel	\$ 6,560,539	\$ (121,478)	\$ -	\$ 6,439,061
External Materials and Services	\$ 5,186,321	\$ 840,151	\$ -	\$ 6,026,472
Internal Materials and Services	\$ 918,885	\$ 27,065	\$ -	\$ 945,950
Fund Transfers - Expense	\$ 16,507	\$ -	\$ -	\$ 16,507
Total Requirements	\$12,682,252	\$745,738	\$0	\$13,427,990

SUPPLEMENTAL BUDGET CHANGES TO THE GENERAL FUND

About 80% of Civic Life's budget is in the General Fund. Notable changes reflected below include a 2% increase to the bureau's General Fund Discretionary resources through encumbrance carryover and advance recovery requests, as well as a 19% decrease to the bureau's Charges for Service revenues from the reduction in projected revenues for the Noise Program.

	Current Revised Budget	Bureau Requested Changes	CBO Recommended Changes	Total Recommended Revised Budget
Resources				
Charges for Services	\$ 415,378	\$ (79,000)	\$ -	\$ 336,378
Interagency Revenue	\$ 85,164	\$ -	\$ -	\$ 85,164
General Fund Discretionary	\$ 9,508,648	\$ 142,987	\$ -	\$ 9,651,635
General Fund Overhead	\$ 129,238	\$ -	\$ -	\$ 129,238
Total Resources	\$10,138,428	\$63,987	\$0	\$10,202,415
Requirements				
Personnel	\$ 5,285,453	\$ (34,598)	\$ -	\$ 5,250,855
External Materials and Services	\$ 4,127,926	\$ 78,082	\$ -	\$ 4,206,008
Internal Materials and Services	\$ 725,049	\$ 20,503	\$ -	\$ 745,552
Total Requirements	\$10,138,428	\$63,987	\$0	\$10,202,415