



City of Portland

# Office for Community Technology

▲ Broadband & Communications Policy

▲ Cable Regulation & Consumer Protection

▲ Utility Franchises, Licenses & Wireless

Ted Wheeler, Mayor  
Office: 111 SW Columbia St., Suite 600  
Mail: P.O. Box 745  
Portland, OR 97207-0745  
Tel: 503-823-5385

September 9, 2020

**TO: Katie Shifley, Senior Financial Analyst, City Budget Office**  
**FROM: Elisabeth Perez, Interim Director** *EP*  
**RE: Office for Community Technology FY 2020-21 Fall BMP Submission**

Please accept the Office for Community Technology's submittal for the FY 2020-21 Fall Budget Monitoring Process.

The COVID-19 pandemic has increased the work of staff significantly through leading the Digital Divide workgroup and CARES Act funding project implementation performed in partnership with the Bureau of Planning and Sustainability. The Manager II (Interim Director), Coordinator III, and Administrative Specialist II have shifted work significantly to lead and meet the technology needs of the community in this pandemic.

The Office continues to have personnel vacancies which has allowed the Office to absorb the required General Fund Reduction. The Office's budget is comprised of general fund and East County Jurisdiction allocations to the MHCRC so other than the required General Fund Reduction the Office's sources and expenditures remain the same.

The Office is closely monitoring franchise and utility license payments for any changes due to the pandemic or FCC rulings that might impact the projected forecast for the City's general fund. After years of understaffing, the franchise and utility license program now is appropriately staffed to begin to consistently and effectively enforcing compliance and proactively managing customer accounts. The Office is dedicated to ensuring that payments remain consistent and any major discrepancies are immediately addressed.

This submission includes:

- F4 – BMP Amendment Request Report containing the following requests:
  - Encumbrance Carryforward
  - Furlough True Up
  - Required General Fund Reductions
  - OMF IA
  - Facilities IA Reduction
- Prior Year Fund Reconciliation Report
- Prior Year Budget Note Update
- Prior Year Performance Measure Performance Report

Phone 503-823-5385 ▪ Fax 503-823-5370 ▪ TTY 503-823-6868 ▪ [www.portlandoregon.gov/OCT](http://www.portlandoregon.gov/OCT)

*An Equal Opportunity Employer  
To help ensure access to program, services and activities,  
the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary  
aids/services to persons with disabilities upon request.*



- Encumbrance Carryover Detail Spreadsheet

Please contact Elisabeth Perez if you have any questions or concerns.

Cc:

Jennifer Li, OCT Program Manager  
Aaron Rivera, Manager I, OMF

**CB - Office for Community Technology      DP Type      Encumbrance Carryover**

**Request Name:** 10941 -OCT - FY 2019-20 GF Furlough Savings True-Up

**Package Description**

This request is a technical adjustment to true-up the furloughs taken in the prior budget year with the estimate for furloughs in the current budget year.

**Service Impacts**

NA

**Equity Impacts**

NA

2020-21 FALL Requested Adj	
Personnel	9,748

2020-21 FALL Requested Adj	
General Fund Discretionary	9,748

**CB - Office for Community Technology      DP Type      Encumbrance Carryover**

**Request Name: 10985 -OCT - Encumbrance Carryforward**

**Package Description**

The Office requests the following encumbrances carry forward:

**Cable Comcast Communications**

This request is for \$19,000 encumbered and unspent from the contract was executed in June 2020 for \$19,000. The contract provides 12 months of Comcast Internet Essentials services to Portland residents who qualify (Comcast provides 2 months free for a total of 14 months of service if they sign up by December 2020). The sign up for residents is staggered therefore the end of the contract will likely end in fiscal year 2021-22.

**F Conrad Hurdle LLC**

This request is for \$8,947 encumbered and unspent from the contract executed in June of 2019 for \$17,150. The project plan for this work was designed to support an inclusive vetting process with a broad array of community stakeholders that include Digital Inclusion Network members and leaders from community-based organizations, local governments, businesses, schools, libraries, etc. that work directly with BIPOC residents. The contract is extended to December 31, 2020 to complete the project and make adjustments due changes adopted to ensure safety in response to COVID-19.

**Service Impacts**

This request will enable to the continued funding and completion of work budgeted, initiated but unspent in prior fiscal year.

**Equity Impacts**

The Cable Comcast Communication contract allows the Office to provide internet services directly to residents who qualify. This assistance provides critical connectivity support needed in response to COVID-19 and the need to stay socially distant.

In light of COVID-19 and the renewed focus to eradicate systemic racism, F Conrad Hurdle LLC shall redesign and implement engagement methods that support community stakeholder involvement in the development of Phase-2 Digital Equity Action Plan goals, actions and performance measures that support safe social distancing requirements and the City's racial equity goals.

2020-21 FALL Requested Adj	
External Materials and Services	27,947
<hr/>	
2020-21 FALL Requested Adj	
General Fund Discretionary	27,947
<hr/>	

**CB - Office for Community Technology      DP Type      Mid-Year Reduction**

**Request Name:** 10986 -OCT - Required GF reductions

**Package Description**

This request reduces the Office for Community Technology budget by \$41,000 in One-Time Discretionary resources as directed in BuMP guidance.

**Service Impacts**

This reduction of one-time resources has the potential to reduce capacity to perform work. Vacancies and other savings may offset or absorb this reduction, the final impact is indeterminate at this time.

**Equity Impacts**

This reduction of one-time resources has the potential to reduce capacity to perform work equity related service to the public, as a result of the daily and ongoing work of the Office. Vacancies and other savings may offset or absorb this reduction, the final impact is indeterminate at this time.

2020-21 FALL Requested Adj	
External Materials and Services	-41,000

2020-21 FALL Requested Adj	
General Fund Discretionary	-41,000

**CB - Office for Community Technology      DP Type      Technical Adjustments**

**Request Name:** 10987 -OCT - OMF Interagency

**Package Description**

This request establishes an interagency with the Office of Management and Finance for personnel, recruiting, contract, budget and financial services for a portion of the fiscal year. The Office will be hiring staff, and training existing staff to fulfill these roles internally.

**Service Impacts**

This request will fund the described services through a portion of the current fiscal year, after which time will be provided with internal staff resources.

**Equity Impacts**

No material equity impacts to report as a result of this request.

2020-21 FALL Requested Adj	
External Materials and Services	-13,750
Internal Materials and Services	27,500
Personnel	-13,750

**CB - Office for Community Technology      DP Type      New Revenue**

**Request Name: 11044 -OCT - F Conrad Hurdle Amendment**

**Package Description**

This request is for the General Fund resources associated with the increase to the F Conrad Hurdle Amendment of \$15,000 for a total of \$32,150. The Office attempted to amend the contract in FY 2010-20 when the Office had adequate funding for the contract. The Office returned \$350,894 at the end of the 2019-20 Fiscal Year. The Office would like \$15,000 to supplement this contract through the Digital Equity program which has a M&S budget of \$40,000 for FY 2020-21.

**Service Impacts**

This request will enable to the continued funding and completion of work budgeted, initiated but unspent in prior fiscal year.

**Equity Impacts**

The Office is committed to creating and implementing a Phase-2 Digital Equity Plan that supports the City's racial equity goals and ensures that community stakeholder involvement is consistent from creation to evaluation.

In light of COVID-19 and the renewed focus to eradicate systemic racism, F Conrad Hurdle LLC shall redesign and implement engagement methods that support community stakeholder involvement in the development of Phase-2 Digital Equity Action Plan goals, actions and performance measures that support safe social distancing requirements and the City's racial equity goals.

The City's budget for Digital Equity work this fiscal year is \$40,000. The COVID-19 pandemic has worsened the digital divide beyond the pre-COVID status therefore committing an additional \$15,000 would allow the Office to have a bigger impact in addressing community needs.

<b>2020-21 FALL Requested Adj</b>	
External Materials and Services	15,000

<b>2020-21 FALL Requested Adj</b>	
General Fund Discretionary	15,000

**CB - Office for Community Technology      DP Type      Mid-Year Reduction**

**Request Name: 11045 -OCT - OMF Facilities Rent Reduction**

**Package Description**

This request is a mid-year reduction for Facilities rent savings. The savings will be returned to the General Fund as directed by budget guidance.

**Service Impacts**

NA

**Equity Impacts**

NA

---

2020-21 FALL Requested Adj	
Internal Materials and Services	-1,617

---

---

2020-21 FALL Requested Adj	
General Fund Discretionary	-1,617

---



## Prior Year Fund Reconciliation Report

Office for Community Technology

### 100 - General Fund

---

<b>EXPENDITURES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Personnel	1,550,490	1,241,768	80.09%
External Materials and Services	1,818,617	1,308,456	71.95%
Internal Materials and Services	278,461	211,301	75.88%
<b>TOTAL EXPENDITURES</b>	<b>3,647,568</b>	<b>2,761,524</b>	<b>75.71%</b>

---

<b>REVENUES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Intergovernmental	1,189,546	850,315	71.48%
Miscellaneous	0	13,000	
General Fund Discretionary	2,458,022	0	0%
<b>TOTAL REVENUES</b>	<b>3,647,568</b>	<b>863,315</b>	<b>23.67%</b>

---

#### Expenditure Discussion

The Office did not fully utilize General Fund and Intergovernmental resources budgeted because of personnel underspending and vacancies, as well as COVID19 related direction to bureaus to curtail discretionary spending. It is worth noting that the office returned \$350k in funding for move costs that were not ultimately used.

#### Revenue Discussion

The Office completed the year within appropriation in each category. Personnel underspending due to vacancies and turnover, as well as COVID19 related direction to curtail discretionary spending also contributed to underspending in EMS and IMS.

## FY 2020-21 Budget Note Update

### **Office for Community Technology**

**Date of Budget Note:** July 1, 2018 in the FY 2018-19 Adopted Budget

**Budget Note Title:** Office for Community Technology

**Budget Note Language:** In accordance with a budget note in the FY 2017-18 Adopted Budget, an external consultant was engaged to evaluate options and make recommendations to Council on the optimal location and structure for the Office for Community Technology (OCT) within the City's organizational framework. Based on these recommendations and consultation with City staff, Council directs that the Office for Community Technology be established as a stand-alone office beginning in September 2018. Council directs the Revenue Division and OCT staff to bring forward budgetary and position changes in the FY 2018-19 Fall Budget Monitoring Process for Council consideration. Council further directs OMF-Facilities to develop options and plan for the physical relocation of OCT staff, with the relevant budgetary actions also brought forward during the FY 2018-19 Fall Budget Monitoring Process.

**Summary Status: In Progress.**

**Budget Note Update:** September 9<sup>th</sup>, 2020

The Office for Community Technology was moved out of the Revenue Division and is housed in the Portland Building. Unused one-time funding for the move was returned in the FY 2019-20 Spring BuMP. The request for a Financial Analyst III position was not approved in the FY 2020-21 Adopted Budget, although the Office is moving forward with plans to fund this position with existing resources. The code changes to recognize the Office for Community Technology as a stand-alone office and establish clear authority has not yet been passed by City Council.

## Bureau Performance Narrative

Office for Community Technology – Prior Year Performance Report

The Office for Community Technology developed twelve new performance measures. All but two measure will have data. CB\_0010 Percentage of DEAP Strategic Actions on track (KPM) is not yet applicable. Staff is currently in the process of writing the DEAP phase II so we will likely be able to begin reporting in FY 2021-22. CB\_0011 the Difference in percentage of households with home broadband service by household income is an annual report released in November of each year by the US Census Bureau, Access American Community Survey (ACS).

### Highlights of Bureau Performance

The Office for Community Technology reports that total fees collected were down by approximately \$5M adjusted for inflation, as were national inflationary indicators reported by the US Census bureau, reporting 1% negative inflation. The Percentage of franchise fees spent on franchise regulation, and specifically the City of Portland Special Appropriation divided by Portland franchise fees collected, are 5.34%.

The total number of hours of local original video produced by partners MetroEast and Open Signal were \$5,334 hours for the period. The value of match resources by Community Technology grants averaged 62% of resources granted.

The total amount of fees collected from audits, audit recoveries and those closed during FY 2019-20, totaled approximately \$850K.

Key Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
CB_0010 Percentage of Digital Equity Action Plan (DEAP) Strategic Actions on track	OUTPUT	0	0	0	N/A	100.0%	100%	The team is in the process of writing the Digital Equity Action Plan Phase II.
CB_0013 Total franchise and utility license fees collected	OUTCOME	0	0	0	\$85,000,000	\$93,000,000	\$93,000,000	The total fees collected for cable, telecom and utility franchises and the utility license code is \$85M. This number includes audit recovery for the same period but does not include revenue from solid waste haulers.
CB_0018 Percentage of franchise fees spent on franchise regulation	EFFICIENCY	0	0	0	5.3%	10.0%	10%	The City of Portland sets the special appropriation for MHCRC each year which is not connected to franchise fees.

Office for Community Technology

Prior Year Performance Reporting

Run Date: 9/9/20

Run Time: 2:16:14 PM

CB_0020	Value of match resources leveraged by grantees through their community technology grants	OUTCOME	0	0	0	62%	50%	50%	In FY19-20, there were fourteen underway (meaning in-progress) Community Technology grants. At the end of the FY, grantees are required to submit an annual status report in which they identify the value of the match resources that supported implementation of their grant-funded project. In reviewing the status reports, the value of the match resources leveraged by grantees in FY19-20 was, on average, 62%.
---------	--	---------	---	---	---	-----	-----	-----	---

Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
CB_0011	Difference in the percentage of households with home broadband service by household income	0	0	0	N/A	4.0%	4%	
CB_0012	Percentage of Open Signal digital literacy training participants that are people of color	0	0	0	22%	50%	50%	Due to COVID-19 related delays and closures, Open Signal was not able to gather demographic data about the digital literacy training participants during the reporting period for January - June 2020. Many of the scheduled trainings were cancelled and those that did occur, were led remotely and a survey was not administered. Open Signal is working on the addition of a survey for the virtual classes and/or trainings offered this upcoming year.
CB_0014	Franchise and utility management program efficiency ratio	0	0	0	112.0%	150.0%	150%	

Office for Community Technology

Prior Year Performance Reporting

Run Date: 9/9/20

Run Time: 2:16:14 PM

Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
CB_0015	Total amount of one-time fees collected from audits	0	0	0	\$850,000	\$1,500,000	\$1,500,000	Total amount of audit recoveries for audits marked "closed" during FY 19-20.
CB_0016	Number of legislative actions taken to protect right-of-way authority on bills or proposed actions	0	0	0	1	1	1	OCT provided comment or responded to each proposed action to protection authority over the right of way.  Some payments have not been consistent year to year. Generally, companies will pay will pay twice as much the following year. We hired a full-time coordinator to track and ensure payments are submitted consistently year to year.
CB_0017	Net change in utility and franchise fees not attributable to inflation	0	0	0	-\$5,080,000	\$1,000,000	\$1,000,000	OCT sends complaint requests within the next 30 minutes the complaint is received. The cable company then reports back to staff when they have resolved the complaint.
CB_0019	Average number of work days to resolve complaints against cable companies escalated to MHCRC staff	0	0	0	4	2	2	The community media centers produced 5,334 hours of local, original video programs in FY19-20. This includes new, original video programs produced by MetroEast Community Media and Open Signal, as well as local government programming.
CB_0021	Total number of hours of local, original video programs produced through community media centers	0	0	0	5,334	5,000	5,000	