

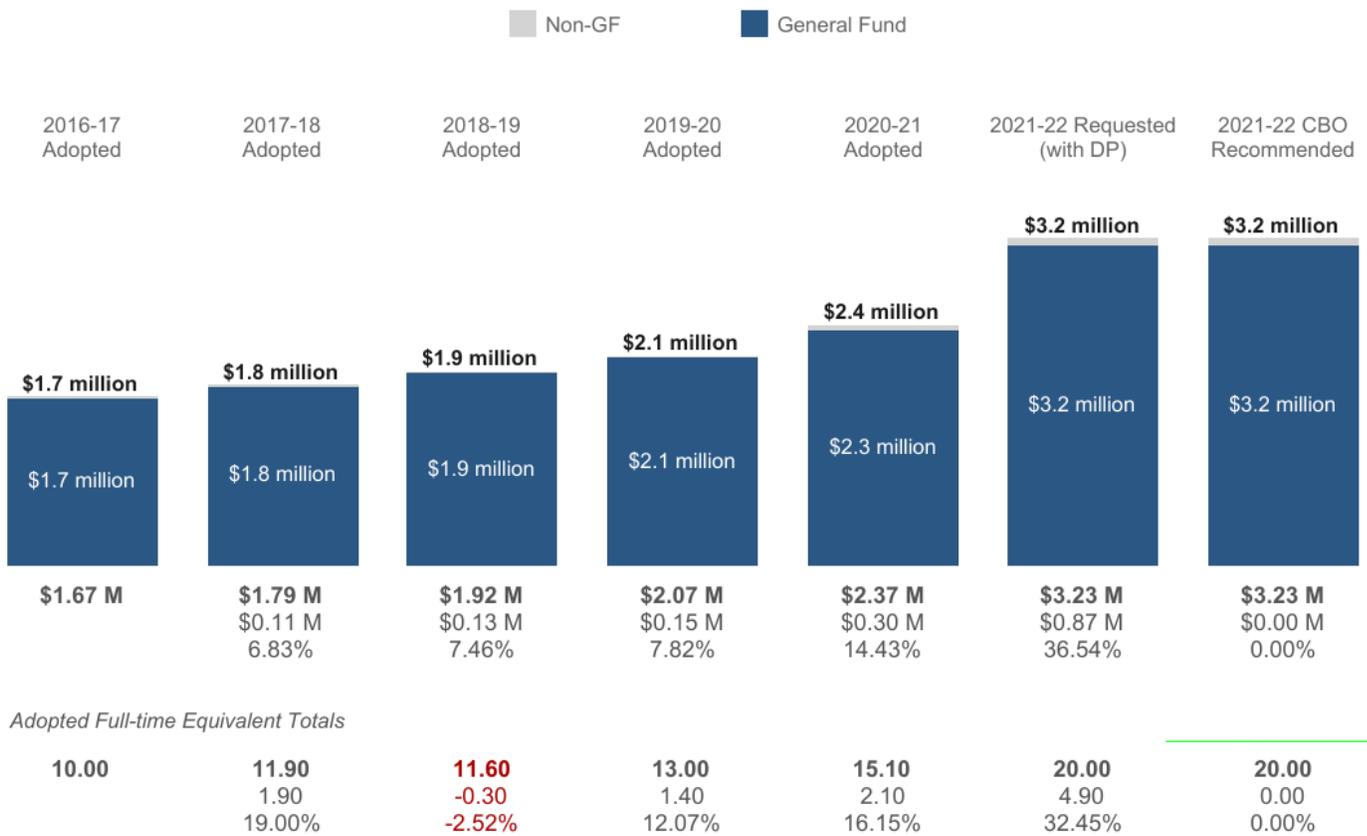


**City
Budget
Office**

Office of Equity & Human Rights

Analysis by Jane Marie Ford

Adopted Budget Revenues | 5-Year Lookback



INTRODUCTION

In FY 2021-22, the Office of Equity & Human Rights (OEHR) will continue to navigate a significant bureau expansion and implementation of its new strategic plan. This follows an unprecedented level of change in the current year Fall Supplemental Budget, in which Council voted to add over \$900,000¹ and five positions to support enhanced analysis, training, and technical expertise

¹ This represents the total estimated ongoing impact of the Fall Supplemental Budget changes, including inflation factors. Note that some of these new adds are partially supported by General Fund overhead resources.

across new and existing OEHR programs. As such, the bureau did not submit any requests for new resources, and there are no key budgetary decision points for Council at this time.

- This review provides a summary of major changes over the last year.
- The new strategic plan presents a timely opportunity to help define shared accountability, responsibility, and structure for implementing Citywide equity goals. This includes articulating Citywide and bureau-specific expectations for federal compliance, training, and equity managers.
- Uncertain and potentially rising personnel costs may put pressure on the bureau’s base budget in future years, and OEHR has signaled that they may request additional resources based on implementation of the strategic plan. CBO identifies potential alternative funding options that could help meet the varied needs of different bureaus.

BASE BUDGET & KEY ISSUES

Major Changes in FY 2020-21

As part of the FY 2020-21 Adopted Budget, Council took action to deappropriate \$15 million in ongoing funding from the Portland Police Bureau’s budget². Of this total, there was \$1.47 million reserved for future reinvestment into programs that support Black, Indigenous, and People of Color (BIPOC) communities and City equity efforts. Council went on to allocate the majority of these funds in the Fall Supplemental Budget Process, supporting expanded capacity in the Office of Government Relations Tribal Relation’s Program, the Office of Violence Prevention, and most significantly in the Office of Equity & Human Rights.

New Add	Ongoing Allocation
Civil Rights Title VI Position (<i>Adopted Budget</i>)	\$123,985
Professional Learning and Technical Assistance	\$170,000
Black Male Achievement Program AmeriCorps VISTA Community Partnership	\$50,000
Disability Digital Access Coordinator	\$ 128,806
Equity and Diversity Data Analyst	\$ 128,806
LGBTQIA+ Policy Analyst	\$ 124,287

² See <https://www.portlandoregon.gov/cbo/article/763271> for Portland Police Bureau Budget Details and Changes, FY 2019-20 and FY 2020-21.

Small Bureau Equity Manager	\$165,000
Policing-Focused Equity Analyst	\$128,806

CBO noted in a [memo](#)³ that many of these investments were essential to addressing long-known issues related in particular to disability equity, data analysis, federal compliance, training, and technical assistance, but recognized the limitation of any individual position or program given a) the magnitude of responsibility and b) lack of other critical frameworks and systems to ensure success. These concerns have been echoed in stakeholder conversations related to OEHR’s strategic plan, acknowledging that all bureaus have a role to play in shared accountability and responsibilities to meet the City’s equity goals.

Strategic Planning Opportunities

OEHR anticipates releasing its new strategic plan in Spring 2021. The final additions to the plan center on defining how OEHR and bureaus will work together to implement key City initiatives.

Federal Compliance

The Office of Equity & Human Rights has been charged with overseeing the City’s compliance with the Americans with Disabilities Act (ADA) Title II and Civil Rights Act Title VI. CBO⁴ and an audit⁵ have previously noted that this enormous body of work is under-resourced and requires a more comprehensive Citywide structure for training, technical assistance, data collection, reporting, and policy development. Council has made several investments over the last few years to increase the number of FTE in OEHR dedicated to these programs, *but all bureaus share responsibility for compliance*. In addition to individual bureau obligations, some specific examples of shared response needs include:

- **Digital accessibility standards, trainings, and support.** In the Fall Supplemental Budget, Council authorized a new position in OEHR to support compliance with ADA Title II accessibility requirements in technology platforms and other digital communication. CBO’s understanding is that the Bureau of Technology Services has expressed willingness to support this position and share responsibility for this body of work.
- **Civil Rights Title VI investigations.** In the Fall Supplemental Budget, Council directed the Office of Equity and Human Rights to work with the City Attorney’s Office, Office of Management and Finance, and customer bureaus to develop a rate model for allocating costs through interagency agreements to fund a Civil Rights Title VI Investigations and

³ See City Budget Office, FY 2020-21 Fall Supplemental Budget Analysis: Ongoing General Fund Requests. October 2020. Available at <https://www.portlandoregon.gov/cbo/article/767334>.

⁴ 3 See City Budget Office, FY 2018-19 Budget Review. March 2018. Available at <https://www.portlandoregon.gov/cbo/article/675819>; City Budget Office, FY 2018-19 Prior Year Performance Report. December 2019. Available at <https://www.portlandoregon.gov/cbo/article/748889>; and City Budget Office, FY 2020-21 Budget Review. March 2020. Available at <https://www.portlandoregon.gov/cbo/article/754864>.

⁵ Portland City Auditor, December 2016. “Americans with Disabilities Act: Coordination gaps complicate City response.” Available at <https://www.portlandoregon.gov/auditservices/article/620521>.

Compliance Officer position. This was not included in the FY 2021-22 Requested Budget, but is worth considering for FY 2022-23 as part of broader conversations about what support is required for bureaus to understand and carry out their obligations related to this act.

Training & Education

The Fall Supplemental Budget also included significant discussion related to the City's equity training needs and requests. Council directed the Office of Equity and Human Rights to work with the Bureau of Human Resources and other relevant bureaus to bring forward a plan and request to comprehensively fund and meet City equity competency and practice goals for consideration. This was not included in the FY 2021-22 Requested Budget, but CBO recommends that this conversation continue over the next fiscal year.

Before considering funding options and levels, CBO recommends first identifying:

- What is considered to be part of the City's "baseline" equity training functions, backed by the traditional split of General Fund discretionary resources and the General Fund overhead model;
- What are enhanced trainings that are more appropriately funded through interagency agreements or program fees paid by individual bureaus or employees;
- The benefits and drawbacks of utilizing employees who have been through specialized trainings to train other employees ("train the trainer"); and
- What trainings are best provided by external consultants paid for by individual bureaus, potentially through a centrally managed contract.⁶

Bureau Equity Managers

Over the last two years, OEHR has been meeting regularly with Citywide equity managers, who played a significant role in OEHR's strategic planning process and are identified as key players in several of the plan's action items. At this point, most bureaus have at least one dedicated equity position (many of which are referred to as "equity managers"); a notable exception is the Office of Management & Finance, which has requested new resources to fund such a position in the FY 2021-22 Requested Budget. These bureau equity staff were added over time through a decentralized process, an approach that has benefits – including meeting the individual and unique needs of different bureaus – and drawbacks – such as the lack of consistent support structure and expectations for the role of equity staff.

Currently, bureau equity staff are spread across a variety of classifications. This may be an appropriate approach, recognizing that equity expertise does not fall under a single job title and must be integrated into positions across the City. CBO has estimated that there are at least 30 FTE across the City primarily intended to focus on equity policy, technical assistance, and/or

⁶ This currently being explored for a Results Based Accountability (RBA) master contract, which Procurement has indicated may be a good candidate for a new Citywide initiative.

program implementation. However, it is not clearly defined which equity practitioners are being included in the regular equity manager meetings and new training and education initiatives.

- The strategic plan is an important opportunity to clarify the shared and distinct responsibilities of OEHR and bureau equity staff. This could also include defining what support OEHR is expected to provide, to what degree OEHR has authority or influence over the work of bureau equity staff, and what body of work Council wants to accomplish through this relationship.
- This may result in the need to allocate additional bureau staff to serve as equity liaisons or create new, additional equity positions to help ensure that all bureaus are participating in and benefiting from consistent training, technical assistance, and initiatives to operationalize City equity goals.

Future Cost Pressures & Opportunities

Rising Personnel Costs, Uncertain Materials & Services Needs

All of the positions added in the FY 2020-21 Adopted Budget and Fall Supplemental Budget are currently vacant. As such, OEHR's FY 2021-22 Requested Budget includes mid-range salary and benefit assumptions and does not represent actual position classifications or employee compensation. Based on recent trends, it is likely that actual personnel costs will be higher once the positions are filled. In addition, the Office of Equity & Human Rights has asked the Bureau of Human Resources to undertake a review of OEHR staff to ensure that they are "appropriately classed to their [C]itywide equity leadership functions and compensated" (OEHR Requested Budget, pg. 4).

Combined, these factors could result in significantly higher personnel costs than are currently accounted for in the bureau's base budget.⁷ OEHR may need to make adjustments later in the budget process to reallocate external materials and services (EMS) funding to support potential increased costs of these positions. The bureau's EMS spending has varied significantly over the last few years, and given the number of changes to OEHR operations during this time, it is not clear what the baseline "run rate" is for costs like consulting, trainings, etc. As such, it is likely that this reallocation would not result in any notable service level tradeoffs. However, it will be important for OEHR to assess the ongoing budget needs for each of their programs based on the new strategic plan and additional capacity that has been added to the bureau's budget over the last year in preparation for FY 2022-23 Budget Development.⁸

⁷ CBO also notes that the bureau's Requested Budget includes \$71,310 in interagency revenue for OEHR staff time related to the Portland Commission on Community Engaged Policing (PCCEP). OEHR had temporarily been providing expanded program support while PCCEP positions were vacant; however, this heightened level of service has continued for several years without clear direction from Council. If this changes, OEHR would need to identify additional resources to cover personnel costs.

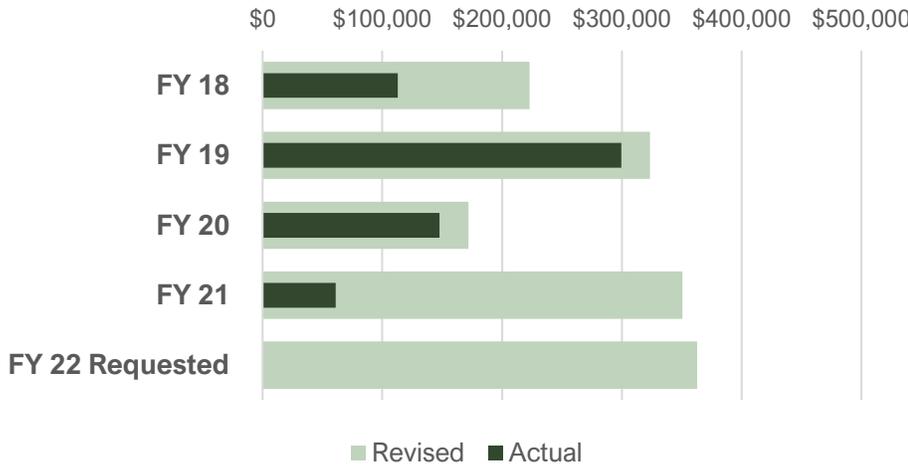
⁸ Chart notes: FY 21 actuals show actual expenditures through the end of January 2021.

Personnel Costs



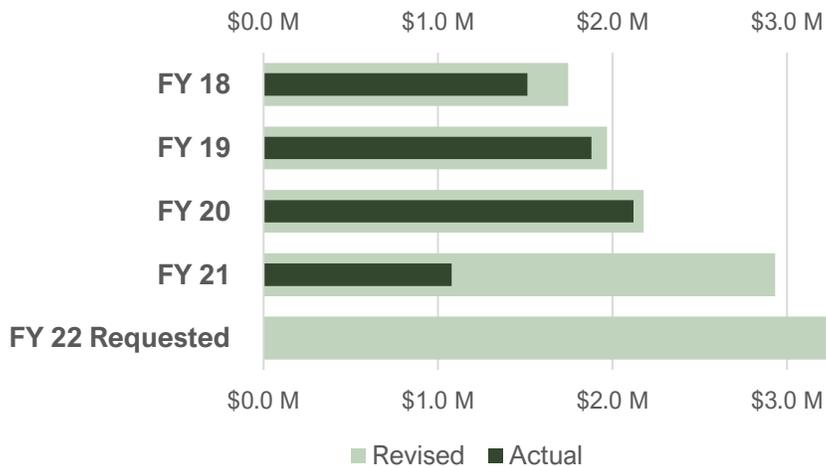
The bureau’s personnel costs significantly increased in FY 2019-20 due to a variety of factors, including pay equity, the classification reconsideration process, and new employees with higher salary and benefit costs. OEHR will have substantial vacancy savings in FY 2020-21 due to the number of new positions added mid-year but may experience increased costs next year based on actual hires and any changes determined by human resources based on a Citywide review.

External Materials & Services Spending



EMS spending has varied significantly and is trending low in the current year. Due to major bureau changes, it is unclear how much is required for each program annually to cover costs like consulting, training, stipends, etc. The bureau will review this as part of FY 2022-23 budget development.

Total Expenditures



OEHR's total budget increased by \$1.1 million between the FY 2019-20 Revised and FY 2021-22 Requested Budget.

Revenue Options: General Fund Overhead, Interagency Agreements, & Outside Vendors

The graph immediately above illustrates how significantly the bureau's budget has changed since June 2020, the end of the most recent fiscal year. OEHR has signaled in its FY 2021-22 Requested Budget that the bureau may bring forward future additional funding requests based on implementation of the bureau's strategic plan. Council and other City bureaus may also continue to identify new or additional equity technical assistance, training, and support needs as the City collectively grapples with the next steps in operationalizing equity. CBO notes that this may be an opportunity to consider alternate funding options beyond the General Fund discretionary and overhead split that currently supports most OEHR operations. This is most appropriate where it is possible to identify specific services being provided to individual bureaus.

- The **overhead model** is used to allocate the cost of the City's central service functions and activities that benefit or are used by several City bureaus.⁹ For OEHR, this includes their work related to ADA Title II and Civil Rights Title VI, training and education, policy and technical assistance, the Diverse and Empowered Employees of Portland program, and overall administration and support. In total, the FY 2021-22 Requested Budget includes almost \$1.5 million in General Fund overhead resources for OEHR operations.
- Moving forward, CBO recommends reviewing what services should be funded as part of the General Fund overhead cost pool, broadly benefiting all bureaus and employees, versus determined through **interagency service provider agreements**¹⁰ based on the individual needs of larger bureaus. This could include reviewing existing "baseline" services levels as well as taking into consideration new requests for training, technical assistance, or other support. An example of a new cost that could be funded through

⁹ See FIN 2.08 Cost Allocation: <https://www.portlandoregon.gov/citycode/article/200846>

¹⁰ See FIN 2.08.04 Interagency Agreements: <https://www.portlandoregon.gov/brfs/article/531046>

interagency allocations is the Civil Rights Title VI Investigator position noted above.

- A third strategy is for individual bureaus to utilize **outside contractors** to provide specialized training, consulting, or other services that are not part of the “baseline” for OEHR. The Results Based Accountability contract discussed above is an example of how setting up shared central master agreements could help bureaus access additional equity support through a streamlined procurement process. Bureaus also have more control and flexibility to tailor the scope based on needs and available budget without an ongoing obligation to the City.

SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

Office of Equity & Human Rights

		2020-21 Adopted Budget	2021-22 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Interagency Revenue	\$47,595	\$71,310	\$0	\$0	\$71,310
	General Fund Overhead	\$1,101,964	\$1,476,602	\$0	\$0	\$1,476,602
	General Fund Discretionary	\$1,213,807	\$1,680,842	\$0	\$0	\$1,680,842
	Charges for Services	\$5,000	\$5,000	\$0	\$0	\$5,000
Revenue	Sum:	\$2,368,366	\$3,233,754	\$0	\$0	\$3,233,754
Expense	Personnel	\$2,025,134	\$2,601,881	\$0	\$0	\$2,601,881
	Internal Materials and Services	\$252,037	\$269,104	\$0	\$0	\$269,104
	External Materials and Services	\$91,195	\$362,769	\$0	\$0	\$362,769
Expense	Sum:	\$2,368,366	\$3,233,754	\$0	\$0	\$3,233,754