



Office of Government Relations

Analysis by Douglas Imaralu

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
Expenses	\$2,343,795	\$1,273,020	\$1,070,775	46%
Operating Expenses	\$2,343,795	\$1,273,020	\$1,070,775	46%
Personnel	\$1,694,641	\$1,006,020	\$688,621	41%
External Materials and Services	\$389,956	\$129,292	\$260,664	67%
Internal Materials and Services	\$259,198	\$137,707	\$121,491	47%
Revenue	\$2,343,795	\$291,000	\$2,052,795	88%
External Revenue	\$40,000	\$40,000	\$0	0%
Charges for Services	\$0	\$40,000	(\$40,000)	
Intergovernmental	\$40,000	\$0	\$40,000	100%
Internal Revenue	\$266,000	\$251,000	\$15,000	6%
Interagency Revenue	\$266,000	\$251,000	\$15,000	6%
General Fund Allocation	\$2,037,795	\$0	\$2,037,795	100%
General Fund Discretionary	\$947,341	\$0	\$947,341	100%
General Fund Overhead	\$1,090,454	\$0	\$1,090,454	100%

Figure 1: This table shows the Office of Government Relations' General Fund budget.

INTRODUCTION

Two-thirds through the fiscal year, the Office of Government Relations (OGR) has expended 54% of its budgeted expenses and has collected 100% of its external revenues. Operating expenses are tracking behind pace as a result of delays in the hiring process for new positions, staffing transitions, underspending in external material and services (EMS), and the impact of the COVID-19 pandemic which curtailed certain expenditures. **CBO anticipates that the bureau will end the year within budget, and may underspend its General Fund discretionary allocation by up to 11% or \$260,618.**

KEY DECISIONS FOR COUNCIL

General Fund Program Carryover

- OGR is requesting to carryover General Fund resources in the amount of \$60,000 for completion of the Office's 2021-2025 strategic plan. Underspending is from the bureau's materials and services budget.
- Given the fiscal and capacity constraints in the current and previous fiscal years, OGR will not be able to complete its strategic planning process in FY 2020-21. The bureau notes that that strategic planning process will not only look at a strategy to advance OGR's mission, but identify areas of changes within the bureau's service structure to align with Citywide core values. The bureau also plans to utilize the equity tools that have been developed in conjunction with the Office of Equity and Human Rights (OEHR) to rethink its systems to better support bureaus and core City services while collaborating with external partners in an equitable and fiscally sustainable manner.
- **CBO recommends this request due to the impact it will have on core City services and equity goals.**

Technical Adjustments

- OGR is requesting a technical adjustment to reallocate resources within materials and services to personnel services in the amount of \$60,000 for anticipated expenditures for in-process recruitments for the Tribal Relations Program, the completion of the reclassification for the Tribal Relations Director, and completion of other positions within OGR that resulted in changes in pay.
- This technical adjustment will provide support to continue growing the Tribal Relations Program and provide adequate resources for two of the Tribal Relations' virtual events scheduled to be hosted by the bureau before the end of FY 2020-2021. In addition, the adjustment addresses the reclassification of positions within OGR and the respective pay equity adjustments.
- **CBO recommends this request.**

CURRENT YEAR BUDGET MONITORING

Summary of Current Year Trends and Year-end Projections

OGR is expected to end the year within FY 2020-21 appropriations (11% less current year allocation). The bureau is seeing some savings due to delays in the development of the new Tribal Relations Program positions and staffing transitions. However, results from the Bureau of Human Resources' (BHR) recently completed reclassification and pay equity assessments for OGR may have cost implications on the bureau's personnel budget for FY 2020-21 and FY 2021-22.

Curtailed Expenditures, Reclassifications, and Pay Equity Impact

OGR's underspending in its external materials and services budget is partially attributed to the COVID-19 pandemic, which curtailed certain expenditures such as out-of-town travel (especially for its state, regional, and federal relations staff), office supplies, and in-person training and professional development. However, the bureau expects these expenditures to gradually pick up as economic activities resume. Although the bureau has recorded significant savings in EMS resources as a result of the COVID-19 pandemic disruptions and staffing transitions, it has requested to use some of the resources to complete its five-year strategic plan, while continuing plans to host two Tribal Relations virtual events before the end of FY 2020-21. In addition, BHR recently completed its reclassification and pay equity assessment for a number of positions at the bureau. The exercise resulted in a 31.33% pay increase to the base salary of OGR's Tribal Relations Director position. It also resulted in a pro-rated back-pay for the employee effective 12/7/2020. This will impact both the bureau's personnel budget for the remainder of FY 2020-21 and FY 2021-22 Requested Budget.¹

Stable Alternative Revenue Option

Prosper Portland's intergovernmental agreement (IA) with OGR remains a stable means of external revenue, barring any impact owing to COVID-19.

¹ BHR's Class Compensation has completed the reclassification of positions at the bureau from Council classifications to a new classification series specific to Government Relations. Upon completion, a pay equity study was completed for the Government Relations Specialist series, resulting in a pay increase for the Tribal Relations Director and other positions that will impact the bureau's FY 2020-21 budget and its FY 2021-2022 requested budget.

SPRING SUPPLEMENTAL BUDGET CHANGES

	2020-21 Spring Revised Base (A)	Spring Decision Package Total (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Expense	\$2,343,795	(\$60,000)	\$0	\$2,283,795
Personnel	\$1,694,641	\$60,000	\$0	\$1,754,641
External Materials and Services	\$389,956	(\$120,000)	\$0	\$269,956
Internal Materials and Services	\$259,198	\$0	\$0	\$259,198
Revenue	\$2,343,795	(\$60,000)	\$0	\$2,283,795
General Fund Discretionary	\$947,341	(\$60,000)	\$0	\$887,341
General Fund Overhead	\$1,090,454	\$0	\$0	\$1,090,454
Interagency Revenue	\$266,000	\$0	\$0	\$266,000
Intergovernmental	\$40,000	\$0	\$0	\$40,000