



# Community and Civic Life

Analysis by Angela Butel

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
<b>Expenses</b>	<b>\$18,577,990</b>	<b>\$6,120,493</b>	<b>\$12,457,497</b>	<b>67%</b>
<b>Operating Expenses</b>	<b>\$18,561,483</b>	<b>\$6,109,485</b>	<b>\$12,451,998</b>	<b>67%</b>
Personnel	\$6,439,061	\$3,527,236	\$2,911,825	45%
External Materials and Services	\$11,176,472	\$2,080,090	\$9,096,382	81%
Internal Materials and Services	\$945,950	\$502,159	\$443,791	47%
<b>Fund Level Expenses</b>	<b>\$16,507</b>	<b>\$11,008</b>	<b>\$5,499</b>	<b>33%</b>
Fund Transfers - Expense	\$16,507	\$11,008	\$5,499	33%
<b>Revenue</b>	<b>\$18,577,990</b>	<b>\$1,021,711</b>	<b>\$17,556,279</b>	<b>95%</b>
<b>External Revenue</b>	<b>\$1,799,884</b>	<b>\$1,021,656</b>	<b>\$778,228</b>	<b>43%</b>
Charges for Services	\$1,799,884	\$1,005,509	\$794,375	44%
Intergovernmental	\$0	\$15,867	(\$15,867)	
Miscellaneous	\$0	\$280	(\$280)	
<b>Internal Revenue</b>	<b>\$3,747,233</b>	<b>\$56</b>	<b>\$3,747,177</b>	<b>100%</b>
Interagency Revenue	\$85,164	\$56	\$85,108	100%
Miscellaneous Fund Allocation	\$3,662,069	\$0	\$3,662,069	100%
<b>General Fund Allocation</b>	<b>\$13,030,873</b>	<b>\$0</b>	<b>\$13,030,873</b>	<b>100%</b>
General Fund Discretionary	\$12,901,635	\$0	\$12,901,635	100%
General Fund Overhead	\$129,238	\$0	\$129,238	100%

**Figure 1.** This table shows the Office of Community and Civic Life's budget, which includes General Fund, Cannabis Licensing Fund, and Recreational Cannabis Tax Fund resources.

## INTRODUCTION

Two-thirds through the fiscal year, the Office of Community and Civic Life (Civic Life) has expended 32.9% of its budgeted expenses and has collected 56.8% of its external revenues. Because of the nature of Civic Life's work, the bureau's budget includes many advances and multi-year grants, so actual spending, especially for external materials and services (EMS), is expected to be closer to budget than these percentages suggest. **CBO anticipates that the bureau will end the year within budget, and may underspend its General Fund discretionary allocation by up to 4.9% or \$600,000.**

## KEY DECISIONS FOR COUNCIL

Civic Life is not requesting any new resources in the Spring BMP. The bureau's Spring BMP requests include three program carryovers (one which has since been withdrawn) and several internal transfers and technical adjustments. Program carryover requests are discussed in this section; internal transfer requests are described in the Additional Analysis section below.

### General Fund Program Carryover

In light of the COVID-19 economic impacts to the City and community, the Mayor's Spring BMP guidance limited General Fund carryover requests to packages that 1) Fund one-time requests made as part of a bureau's FY 2021-22 requested budget, or 2) Continue one-time work that was funded in the current fiscal year but not completed. CBO has analyzed and developed

recommendations based on these criteria.

### Community Budgeting Funding Carryover

- During the FY 2020-21 Fall BMP, Council allocated \$3.4 million to Civic Life to develop a community budgeting process in partnership with Reimagine Oregon, in collaboration with the Office of Equity and Human Rights and the City Budget Office. This includes \$1.5 million in one-time General Fund resources and \$1.9 million in ongoing Recreational Cannabis Tax (RCT) resources. The community budgeting process is still in the development phase and is not anticipated to begin before the end of the current fiscal year.
- **To allow time for thoughtful development of this new community-driven process, CBO recommends this request. As this work proceeds, it will be important for transparency and assessment of programmatic impact to clearly define the intended goals and scope, details of program activities, and desired outcomes and performance measures.**

### East Portland Community Office Move

- This request carries over \$32,450 in projected personnel underspending to FY 2021-22 to cover anticipated costs of moving the East Portland Community Office (EPCO) into a new office space.
- **CBO recommends this request as this is a one-time process which Civic Life began, but will not be able to complete, in FY 2020-21.**

### Non-General Fund Program Carryover

#### Recreational Cannabis Tax Fund Carryover

- This request has been withdrawn by the bureau after a change in plans for the current-year Social Equity and Educational Development (SEED) Grant process. The bureau now anticipates spending down the entirety of current year funds in the current year.

## CURRENT YEAR BUDGET MONITORING

### Significant Projected Personnel Underspending Redirected for Other Uses

CBO and Civic Life projections are aligned in anticipating significant personnel underspending compared to the current FY 2020-21 Revised Budget (prior to Spring BMP adjustments). CBO projections show about \$1.1 million in total personnel savings, which includes about \$750,000 in General Fund savings and about \$350,000 in Cannabis Licensing Fund savings.

This projected underspending is mainly related to personnel vacancies in both funds, in part due to delayed hiring as a cautionary response prior to receiving FY 21-22 budget guidance. As of this writing, Civic Life had 9 vacancies out of a total of 54.83 FTE, about an 16.4% vacancy rate. Two positions are currently in the interview/selection process and two are in the pre-recruitment phase to bolster the bureau's capacity in key areas.

Civic Life's Spring BMP requests realign a net of \$727,518 in projected personnel underspending, including \$300,000 from the Cannabis Licensing Fund and \$427,518 from the General Fund, to other purposes (described in more detail in the Additional Analysis section below). Factoring in these adjustments brings projected year-end personnel underspending closer to \$300,000 total.

## **Charges for Services Revenues Continuing to See COVID-19 Impacts**

Civic Life has several programs that generate external revenues, including Liquor Licensing, which issues licenses to businesses selling alcoholic beverages; the Noise program, which issues permits for activities such as construction and large events; and the Cannabis Program, which issues licenses to cannabis businesses. These programs have experienced revenue impacts due to the COVID-19 crisis, as new business activity and large gatherings have been affected.

Civic Life's FY 2020-21 Spring BMP adjustments include a mid-year reduction of \$67,000 to projected Noise and Liquor revenues. Service level impacts of this reduction are expected to be minimal, as the bureau can balance the reduction through projected personnel underspending due to current vacancies in both programs. Civic Life made a similar reduction of \$79,000 to projected Noise Program revenues in the FY 2020-21 Fall BMP. In total, Civic Life projects collecting a total of about \$270,000 in General Fund Charges for Services revenues in FY 2020-21, which is \$92,000, or 26%, lower than prior year actuals.

Cannabis Licensing revenues have also seen some COVID-19-related impacts, though not to the same extent as the Noise and Liquor Licensing programs. CBO projections suggest possible undercollection of revenues by around \$200,000, or 15%, if revenues continue the current trajectory. This is not a major concern, as the Cannabis Licensing Fund has a sizeable fund balance that could backfill any operational gap. This balance is currently unappropriated, but Civic Life plans to address this in the Over-Expenditure Ordinance.

## **ADDITIONAL ANALYSIS**

### **Internal Transfer Requests**

Civic Life's Spring BMP includes seven internal transfer requests. Most of these requests realign projected personnel underspending for other purposes. Some of them realign resources to cover existing costs, while others repurpose projected savings for new projects. The total impact of these requests is realignment of nearly \$728,000 in projected personnel underspending (including both General Fund and Cannabis Licensing resources).

#### **Internal Transfers to Align to Projected Spending**

Five of Civic Life's internal transfer requests realign budget to better reflect projected spending for various programs and projects. These requests are:

- Disability Leadership Grants – Moves \$28,000 in projected personnel underspending to EMS to cover the full cost of Civic Life's grant agreement with the Mackenzie River Gathering Foundation.
- Graffiti Abatement – Because of higher demand for graffiti cleanup services in FY 2020-21, and at the request of the Mayor's office, moves \$150,000 in projected personnel underspending to EMS in the Graffiti Program to support additional cleanup efforts in the remainder of the fiscal year.
- Organizational Assessment Contract – Moves \$62,358 in projected personnel underspending to EMS to cover the full cost of a contracted organizational assessment of the bureau, which is currently underway and expected to be completed in early April 2021.
- Serving Southwest Neighborhoods – Largely technical in nature, this request moves the budget for support of neighborhood groups in Southwest Portland to a new cost center,

allocating resources to support two new Coordinator positions created by Council ordinance in March 2021. Includes a transfer of \$27,090 from EMS to personnel to cover the full anticipated costs of these positions.

- Technology Upgrade Contract – Moves \$404,250 in projected personnel underspending (\$300,000 in RCT resources and \$104,250 in General Fund resources) to EMS to cover costs of procuring a new technology platform that will support data collection and reporting for many of the bureau’s programs.

**Because these requests are technical in nature and seek to realign resources to expected actual expenditures, including expenditures already underway, CBO recommends these requests.**

### Internal Transfers to Support New Projects

Two of Civic Life’s internal transfer requests realign resources to support new projects the bureau plans to launch before the end of FY 2020-21. These requests are:

- PSU Population Center Census Tracking – Moves \$40,000 in projected personnel underspending to EMS to contract with the Population Research Center at Portland State University to use 2020 Census results to update neighborhood association, district association, and voting precinct boundaries and build tools that will be foundational to a broader bureau effort to update its performance management framework.
- Strategic Planning – Moves \$70,000 in projected personnel underspending to EMS to contract with a vendor still to be identified to provide up to 10 months of strategic planning, technical assistance, coaching, and communications support. This work would build on the organizational assessment discussed above. After submission, the bureau has noted that it may not be able to encumber this by year-end and is exploring back-up plans.

Although these efforts are not yet underway in the current year, both build on current projects, including evaluation of the bureau’s approach to assessing outcomes and impact and taking stock of organizational culture and its alignment with the bureau’s strategic goals.

**Because these requests are aligned with Civic Life’s overall strategic direction and do not have ongoing funding implications, CBO recommends these requests.**

## 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)
<b>Expense</b>	<b>\$18,577,990</b>	<b>(\$3,667,000)</b>	<b>(\$32,450)</b>	<b>\$14,878,540</b>
Personnel	\$6,439,061	(\$826,968)	(\$24,000)	\$5,588,093
External Materials and Services	\$11,176,472	(\$2,864,032)	(\$8,450)	\$8,303,990
Internal Materials and Services	\$945,950	\$24,000	\$0	\$969,950
Fund Transfers - Expense	\$16,507	\$0	\$0	\$16,507
<b>Revenue</b>	<b>\$18,577,990</b>	<b>(\$3,667,000)</b>	<b>(\$32,450)</b>	<b>\$14,878,540</b>
Beginning Fund Balance	\$0	\$0	\$0	\$0
Charges for Services	\$1,799,884	(\$67,000)	\$0	\$1,732,884
General Fund Discretionary	\$12,901,635	(\$1,500,000)	(\$32,450)	\$11,369,185
General Fund Overhead	\$129,238	\$0	\$0	\$129,238
Interagency Revenue	\$85,164	\$0	\$0	\$85,164
Miscellaneous Fund Allocation	\$3,662,069	(\$2,100,000)	\$0	\$1,562,069

Figure 2. This table shows Civic Life’s budget with Spring BMP requests and CBO recommendations included.