

Office of Equity and Human Rights



**City
Budget
Office**

Analysis by Douglas Imaralu

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
Expenses	\$2,932,786	\$1,247,555	\$1,685,231	57%
Operating Expenses	\$2,932,786	\$1,247,555	\$1,685,231	57%
Personnel	\$2,332,078	\$1,016,820	\$1,315,258	56%
External Materials and Services	\$350,551	\$63,149	\$287,402	82%
Internal Materials and Services	\$250,157	\$167,586	\$82,571	33%
Revenue	\$2,932,786	\$48,239	\$2,884,547	98%
External Revenue	\$5,000	\$764	\$4,236	85%
Charges for Services	\$5,000	\$764	\$4,236	85%
Internal Revenue	\$47,595	\$47,475	\$120	0%
Interagency Revenue	\$47,595	\$47,475	\$120	0%
General Fund Allocation	\$2,880,191	\$0	\$2,880,191	100%
General Fund Discretionary	\$1,778,227	\$0	\$1,778,227	100%
General Fund Overhead	\$1,101,964	\$0	\$1,101,964	100%

Figure 1. This table shows the Office of Equity and Human Rights' General Fund budget.

INTRODUCTION

Two-thirds through the fiscal year, the Office of Equity and Human Rights (OEHR) has expended 43% of its budgeted expenses and has collected 15% of its external revenues. Operating expenses are tracking behind owing to vacancy savings and significant underspending in external material and services (EMS), which is as result of delays in the hiring process for 7.0 FTE positions and the COVID-19 pandemic's curtail on certain expenditures. **CBO anticipates that the bureau will end the year within budget and may underspend its General Fund discretionary allocation by up to 32% or \$945,818.**

KEY DECISIONS FOR COUNCIL

General Fund Program Carryover

Equity and Policy Practice Carryover

- OEHR is requesting to reduce appropriation to its Equity and Policy Practice area by \$79,000, on a one-time basis, in order to carryover funds to support the Equity Strategies Analyst (Limited Term) position to continue the development and implementation work for the City's COVID-19 Relief and Recovery effort and also support the Phase II implementation of Citywide Bureau Racial Equity Plans.¹
- OEHR's Director notes that the position has just been filled, however, the COVID-19 Relief and Recovery Toolkit has been developed in partnership with OEHR and bureau Equity Managers. The Equity Strategies Analyst is expected to continue this work and align it with the American

¹ OEHR is seeking American Rescue Plan Act (ARPA) funds for the remaining half of this position's work for FY 2021-22, and until FY 2023-24.

Rescue Plan Act (ARPA) funds. In addition, the position will collaborate with OEHR staff and Equity Managers for Phase II of bureau Racial Equity Plans, crafting a revised “template” and accompanying guidance for all offices and bureaus in the City to update, revise, or create Racial Equity Plans and facilitate meetings to help bureaus during this process.

- **CBO recommends this request due to the impact it will have on core City services and equity goals.**

Technical Adjustments

- OEHR’s submission includes a technical adjustment that reallocates \$14,000 from external materials and services (EMS) to internal materials and services (IMS) to better align budget with actuals. OEHR’s EMS spending has varied significantly over the last few years. The bureau is projected to underspend its EMS budget in the current year by 82%, owing to COVID-19 restrictions on expenditure and delays with hiring 7.0 FTE. Although OEHR’s request to reallocate EMS resources to IMS would not result in any notable service level tradeoff, as noted by CBO in its FY 2021-22 requested budget review, it is pertinent that the bureau assesses the budget needs of each of its programs, based on its new strategic plan and the additional capacity being added to the bureau.
- **CBO recommends this request.**

New Revenue

OEHR Service Level and Interagency Agreements

- OEHR is requesting to receive \$29,000 for services provided to the Special Appropriations Office for the with Portland Committee on Community-Engaged Policing (PCCEP) program. The service agreement will cover human resource functions, program coordination, and payroll/procurement/IT/phone coordination. OEHR notes that the service agreement only covers the period February 1, 2021 to June 30, 2021. However, the arrangement between OEHR and PCCEP will continue until the Department of Justice (DOJ) finds the Portland Police Bureau (PPB) in compliance with the DOJ settlement. Thus, there is no timeline for sunsetting the agreement.
- OEHR is also requesting to receive an internal transfer of \$12,035 from the Mayor’s Office as additional salary for racial justice and equity advisory services provided by Director Smith. Director Smith will serve as a special advisor to the Mayor’s Office on racial justice and equity issues to provide better outcomes for the City.
- **CBO recommends these requests.**

CURRENT YEAR BUDGET MONITORING

Summary of Current Year Trends and Year-end Projections

OEHR is expected to end the year within FY 2020-21 appropriations (32% less current year allocation). The bureau is projected to end the fiscal year with significant savings in its external materials and services and personnel budgets due to delays in hiring 7.0 FTE positions approved during the current year and COVID-19 curtailment of certain expenditures (e.g. travel and training). CBO recommends the bureau continue to consider alternate funding options.

Uncertain EMS Needs, Curtailed Expenditure, and Personnel Savings

OEHR’s underspending in EMS is partially attributed to the COVID-19 pandemic, which curtailed

certain expenditures such as out-of-town travel and in-person training and professional development. However, the bureau still needs to address some uncertainty in its EMS needs as it expands its capacity and services. In addition, the bureau recorded significant personnel budget savings owing to delays in hiring into positions approved in the current year. This, coupled with the need to reassess EMS needs, aligns with CBO's FY 2021-22 Requested budget recommendation that OEHR reassess its baseline costs for consulting and trainings, and actual position classification or employee compensation after it completes its hiring process.

Alternative Revenue Options for Expanding Capacity

CBO does not have significant concerns regarding OEHR's revenues in the current year. However, owing to the effects of COVID-19 pandemic, its external revenues (Charges for Services) is projected to be 82% less budget. Moving forward, CBO recommends OEHR continues to seek alternate funding options beyond General Fund discretionary and overhead resources, which currently supports most of OEHR's operations. This need was highlighted by the bureau's intention to bring forward additional funding requests based on the implementation of the bureau's strategic plan and Council directive on additional equity technical assistance, training, and support needs.²

ADDITIONAL ANALYSIS

American Rescue Plan Act (ARPA) Funds

The Office of Equity and Human Rights' program carryover request to support the Equity Strategies Analyst position (discussed above) only funds 50% the resources needed for the position in FY 2021-22. The bureau intends to request American Rescue Plan Act (ARPA) funds to make up the other 50% needed to support the position in FY 2021-22. The bureau also intends to request ARPA funds to potentially support the position for FY 2022-23 and FY 2023-24. However, this raises concerns as long term support is all but required for the position's pertinent and timely work, which covers activities that benefit or are used by several City bureaus.³ Coupled with OEHR's rising personnel costs and uncertain materials and service's needs, CBO reemphasizes that the bureau look to an alternative, long term funding solution for the position, especially as it advances the operationalization of the City's racial justice and equity goals.⁴

² For additional analysis, please see CBO's review of OEHR's FY 2021-22 requested budget: <https://www.portlandoregon.gov/cbo/article/781918>

³ The major function of the Equity Strategies Analyst position is to support City Bureaus in centering the City's equity goals in developing and implementing COVID-19 response measures, as directed by Council Resolution 37487 of May 2020. The same Resolution has adopted the Equity Toolkit for COVID-19 Community Relief & Recovery efforts, and granted authority to OEHR to hold bureaus accountable to components of the Toolkit. Another major role of the position is to support bureaus in the use of the Results-Based Accountability approach.

⁴ For CBO-recommended options, see pages 7 and 8 of CBO's review of OEHR's FY 2021-22 requested budget: For additional analysis, please see CBO's review of OEHR FY 2021-22 requested budget: <https://www.portlandoregon.gov/cbo/article/781918>

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	\$2,932,786	(\$37,974)	\$0	\$2,894,812
Personnel	\$2,332,078	(\$37,974)	\$0	\$2,294,104
External Materials and Services	\$350,551	(\$14,000)	\$0	\$336,551
Internal Materials and Services	\$250,157	\$14,000	\$0	\$264,157
Revenue	\$2,932,786	(\$37,974)	\$0	\$2,894,812
Charges for Services	\$5,000	\$0	\$0	\$5,000
General Fund Discretionary	\$1,778,227	(\$79,009)	\$0	\$1,699,218
General Fund Overhead	\$1,101,964	\$0	\$0	\$1,101,964
Interagency Revenue	\$47,595	\$41,035	\$0	\$88,630