

Bureau of Planning & Sustainability



Analysis by Michelle B. Rubin

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
Expenses	\$143,222,236	\$17,907,465	\$125,314,771	87%
Operating Expenses	\$37,593,455	\$17,291,077	\$20,302,378	54%
Personnel	\$15,145,753	\$8,762,772	\$6,382,981	42%
External Materials and Services	\$18,648,942	\$6,785,332	\$11,863,610	64%
Internal Materials and Services	\$3,798,760	\$1,742,974	\$2,055,786	54%
Fund Level Expenses	\$105,628,781	\$616,387	\$105,012,394	99%
Contingency	\$54,840,256	\$0	\$54,840,256	100%
Debt Service	\$79,889	\$5,614	\$74,275	93%
Ending Fund Balance	\$49,528,842	\$0	\$49,528,842	100%
Fund Transfers - Expense	\$1,179,794	\$610,773	\$569,021	48%
Revenue	\$143,222,236	\$68,451,624	\$74,770,612	52%
External Revenue	\$57,670,198	\$67,914,799	(\$10,244,601)	-18%
Charges for Services	\$4,519,510	\$1,688,247	\$2,831,263	63%
Intergovernmental	\$5,552,441	\$848,101	\$4,704,340	85%
Licenses & Permits	\$3,452,612	\$1,605,618	\$1,846,994	53%
Miscellaneous	\$145,635	\$114,059	\$31,576	22%
Taxes	\$44,000,000	\$63,658,775	(\$19,658,775)	-45%
Internal Revenue	\$75,168,429	\$536,825	\$74,631,604	99%
Beginning Fund Balance	\$74,344,617	\$0	\$74,344,617	100%
Interagency Revenue	\$823,812	\$536,825	\$286,987	35%
General Fund Allocation	\$10,383,609	\$0	\$10,383,609	100%
General Fund Discretionary	\$9,526,129	\$0	\$9,526,129	100%
Fund Transfers - Revenue	\$3	\$0	\$3	100%
General Fund Overhead	\$857,477	\$0	\$857,477	100%

Figure 1. This table shows Bureau of Planning & Sustainability's budget, which includes in addition to its General Fund allocation and Grants Fund, the Portland Clean Energy Community Benefits Fund, the Community Solar Fund, and the Solid Waste Management Fund.

INTRODUCTION

Two-thirds through the fiscal year, BPS has expended 46% of its budgeted operating expenses and has collected 18% over its budgeted external revenues. The Portland Clean Energy Community Benefits Fund (PCEF) is housed within the bureau and is mostly responsible for both the delay in budgeted expenditures, as well as the overcollection of external revenues shown in the table above. The bureau is also seeing revenue impacts because of the COVID-19 pandemic in its Solid Waste Management Fund. **CBO and the bureau anticipate that BPS will end the year within budget and may slightly underspend its General Fund discretionary allocation by less than 1% or \$35,000.**

KEY DECISIONS FOR COUNCIL

BPS' Spring BMP submission includes two requests for General Fund program carryover, adjustments to grant revenues and interagency agreements (IAs), a request to convert three limited term positions to ongoing permanent positions, and various technical adjustments to reallocate existing resources resulting from updated workplans and priorities. The key decision points for council are discussed below with additional information in the "Additional Analysis" section.

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.

Age-Friendly Program Carryover

- BPS is requesting \$100,000 in General Fund program carryover for continued work on the Age-Friendly Program. As a result of the COVID-19 pandemic, the Age-Friendly workplan was put on hold as the program pivoted to focus on COVID-19 impacts to older adults through the Emergency Coordination Center (ECC) programming. If this request is supported, BPS would resume the Age Friendly program workplan originally directed and funded by City Council with \$200,000 in one-time General Fund resources in the FY 2019-20 Adopted Budget.¹ This request is further discussed in the "Additional Analysis" section below.
- **CBO recommends this request as it aligns with the Mayor's Spring BMP Guidance to allow program carryovers to continue one-time work funded in the current fiscal year but not completed, and due to the unforeseen impacts on the project's timeline resulting from COVID-19.**

FEMA Floodplain Regulations Update Carryover

- BPS is also requesting \$210,000 in General Fund program carryover for continued work on the FEMA Floodplain Regulations Update project. In FY 2018-19, the City began funding a multi-year effort to ensure the National Flood Insurance Program (NFIP) in Oregon complies with the Endangered Species Act, per Federal Emergency Management Agency (FEMA) regulations, or risk exclusion from the NFIP. In the FY 2020-21 Fall BMP Council allocated \$260,000 to BPS to continue work on compliance, but the bureau has not been able to complete the project due to delays in hiring project staff; however, the bureau believes this hiring process is nearing conclusion as of April 2021.²
- This is a multi-bureau and multi-year project that includes a number of elements. Other bureaus, notably the Bureau of Environmental Services (BES), are responsible for other required elements for compliance. Although this portion of the project is one-time in nature, CBO notes that there remain uncertainties around the future of project implementation. CBO encourages City Council to work with the multi-bureau project team to ensure a clear funding strategy for this work moving forward, inclusive of potential future costs to the City for implementation of regulatory changes.
- **CBO recommends this request as it is a critical compliance effort that also aligns with the Mayor's Spring BMP Guidance for program carryover requests.**

Other Adjustments

Limited Term Position Conversion

¹ For previous analysis on the Age-Friendly program, please see previous CBO reviews: <https://www.portlandoregon.gov/cbo/article/760286>; <https://www.portlandoregon.gov/cbo/article/714558>

² For previous analysis on the FEMA Floodplain Regulations Update Project, please see: <https://www.portlandoregon.gov/cbo/article/767305>

- BPS is requesting to convert 3.0 FTE from limited term positions to ongoing permanent positions in its Spring BMP submission. 2.0 FTE are Coordinator II positions within the Portland Clean Energy Fund (PCEF) program, and 1.0 FTE is a GIS Analyst III within its Technical Services program. The PCEF positions were initially created as limited term due to uncertainty around projected revenue estimates; however, the bureau has now determined it has sufficient resources to fund these positions in an ongoing manner and these positions provide significant project management needs for the program. The GIS Analyst III provides geographic information system (GIS) support to BPS' planning, climate and PCEF programs and is currently funded via BPS' ongoing General Fund allocation. The bureau states that this position has become critical to meeting various City and State mandates.
- **CBO recommends this request as requested as the bureau has sufficient resources to convert these positions to ongoing and due to the critical nature of the positions' work.**

CURRENT YEAR BUDGET MONITORING

Year-end Projections

General Fund Projected Personnel Underspending Reallocated to Materials and Services

CBO does not anticipate any major concerns across BPS' various funds, including its General Fund allocation. The bureau expects to spend or encumber almost the entirety of its current year General Fund allocation and is projecting only \$35,000 in General Fund underspending. Prior to Spring BMP adjustments, this number was projected to be much higher predominantly due to personnel underspending, a portion of which has resulted from BPS staff time being charged to the ECC to support COVID-19 response efforts. In its Spring BMP submission, BPS is requesting to reallocate approximately \$485,000 in personnel underspending to its external materials and services budget for various efforts, including an increase of \$120,000 in additional community grants associated with the Anti-displacement Project, \$70,000 to hire temporary staff through the end of the Fiscal Year and \$295,000 in consulting services for various projects, including the Climate Justice Initiative, Economic Opportunities Analysis, the Historic Resource Code Project, and the Anti-Displacement Project. Despite this increase, BPS projects it will fully expend or encumber its external materials and services budget before year-end. **CBO has recommended this technical adjustment request, but notes that, given the current economic landscape, this reallocation represents a bureau workplan and policy decision for City Council, as this underspending, barring other action, would have been returned to the General Fund at fiscal year-end.**

Portland Clean Energy Fund Projected Underspending and Overcollection of Revenues

In the Portland Clean Energy Community Benefits Fund (PCEF), BPS projects it will significantly underspend its external materials and services budget by approximately 89% or \$9.1 million. The bureau states that this is due to a lack of capacity within the bureau to spend and encumber contracted work. In addition, the bureau notes that there were delays in its procurement processes, which delayed projected timelines. The first round of proposed PCEF grant allocations was brought before Council in early April 2021 for approval, totaling \$8.6 million. Due to the timeline and development of grant agreements, BPS expects that most of the funding recommendations will likely be encumbered and expended in FY 2021-22. PCEF's revenues are expected to be 47% or \$20.5 million higher than budgeted. BPS has \$44 million budgeted in tax revenues in the current fiscal year and has already collected \$63.7 million to date.

Solid Waste Management Fund COVID-19 Revenue Impacts

As CBO has previously analyzed, the COVID-19 pandemic has impacted Solid Waste Management Fund (SWMF) revenues, predominantly related to commercial waste collection as Portland businesses are generating fewer tons of solid waste that are subject to the commercial tonnage fee during the pandemic. The bureau has been incorporating program savings and reductions to address this shortfall and expects significant underspending in its SWMF external materials and services and personnel budget due to vacancy savings and delays in contracting. BPS is projecting to underspend its SWMF budget by 6% or \$843,392, including under collecting charges for services by 18% or \$794,399.

ADDITIONAL ANALYSIS

Age Friendly Program Carryover Request

As discussed in the *Key Decisions for Council Section* above, BPS is requesting \$100,000 in General Fund program carryover to complete the Age-Friendly project. In the FY 2019-20 Adopted Budget, the bureau received \$200,000 in one-time General Fund resources, including 1.55 FTE, for the development of an Age-Friendly City Government program framework to promote age-friendly operations, services, and practices that accommodate the needs of older adults. These resources were carried over in the FY 2019-20 Spring BMP, because of program underspending in FY 2019-20 due to delays in hiring a program manager.

Given the COVID-19 emergency, the Age-Friendly Cities Program pivoted its focus to managing the Aging and Disability Community Project (ADCP) through the Emergency Coordination Center, a project aimed to “catalog best practices, develop, and implement approaches in response to COVID-19 related to older adults and people with disabilities.” And from September 2020 through February 2021, the program focused on the coordination of a CARES Act project to address social isolation and COVID-19 needs of underserved community members with disabilities, their caregivers, youth, and older adults. As a result of this, the workplan initially intended for the Age Friendly Program was paused. A portion of the COVID-19 response work was covered by Federal relief funds, which resulted in General Fund salary savings within the Age Friendly Program that are requested for carryover.

If the carryover is supported by Council, BPS would resume the Age Friendly program workplan originally directed and funded by City Council in FY 2019-20. Specifically, the bureau would focus on BPS’ work to advance Portland’s age friendliness by focusing on intergenerational community engagement and developing key strategies as part of the 2035 Comprehensive Plan. As discussed above, CBO recommends this program carryover request as it supports work that was funded in the current fiscal year but not completed and due to the initial project’s unforeseen impacts from COVID-19. However, since CBO does not typically recommend program carryover for resources that have been carried over for several years without a clear plan to complete the project or expend resources or for programming or projects that are ongoing in nature, CBO notes that since this is a one-time funded program that has already been carried over once, BPS should plan to fully expend these resources in FY 2021-22. If there is a desire by the bureau and City Council for this program to become ongoing in nature, resources should be considered as part of a future development process so they can be analyzed alongside other requests for new resources.

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	\$143,222,236	\$1,195,431	\$0	\$144,417,667
Personnel	\$15,145,753	(\$689,426)	\$0	\$14,456,327
External Materials and Services	\$18,648,942	\$1,834,514	\$0	\$20,483,456
Internal Materials and Services	\$3,798,760	(\$603,800)	\$0	\$3,194,960
Debt Service	\$79,889	\$0	\$0	\$79,889
Ending Fund Balance	\$49,528,842	\$0	\$0	\$49,528,842
Fund Transfers - Expense	\$1,179,794	\$0	\$0	\$1,179,794
Contingency	\$54,840,256	\$654,143	\$0	\$55,494,399
Revenue	\$143,222,236	\$1,195,431	\$0	\$144,417,667
Beginning Fund Balance	\$74,344,617	\$0	\$0	\$74,344,617
Charges for Services	\$4,519,510	\$0	\$0	\$4,519,510
Fund Transfers - Revenue	\$3	\$0	\$0	\$3
General Fund Discretionary	\$9,526,129	(\$310,000)	\$0	\$9,216,129
General Fund Overhead	\$857,477	\$0	\$0	\$857,477
Interagency Revenue	\$823,812	(\$26,889)	\$0	\$796,923
Intergovernmental	\$5,552,441	\$1,532,320	\$0	\$7,084,761
Licenses & Permits	\$3,452,612	\$0	\$0	\$3,452,612
Miscellaneous	\$145,635	\$0	\$0	\$145,635
Taxes	\$44,000,000	\$0	\$0	\$44,000,000