

APPENDIX B**THE BUREAU ADVISORY COMMITTEE PROGRAM
AND THE "BIG BAC"**

First instituted in 1975 with initial support and backing from Goldschmidt, the Budget Advisory Committee (BAC) program, as it was then called, was intended to offer citizens direct and unprecedented access to what had historically been the exclusive province of City Council members. This feature of Portland's citizen involvement program served to complete the City's pledge to more fully incorporate direct citizen participation in the City's agenda making process. As such, it was a natural and logical extension of the ONA program. Though they functioned in some ways conjointly, especially through the Neighborhood Needs process, there were key differences between the BAC and the NA involvement programs. Among these was the stipulation that BAC membership was subject to an approval process intended to match citizen skills with various bureau operations. This gave the BAC program an aspect of exclusivity and control that the NA program lacked.

The BACs were to consist of citizens drawn from a pool of applicants screened by the ONA and reviewed

for final selection by City Commissioners following consultation with their operating bureaus. The BAC makeup was to include minority representation, a diversity of viewpoints, incorporate geographic diversity among its members as well as special occupational knowledge. City employees could not serve as members on any BAC, and care was taken to insure BACs were not captured by special interest groups. Each BAC received staffing support from an "in-bureau liaison" made available to answer questions and provide background information as well as to provide facilitation in BAC deliberations. Keeping track of correspondence, minute taking and photocopying were also to be carried out by the bureau liaison.

In 1980, City Council passed a resolution formally adopting the BAC process, thereby providing it greater institutional stature in the City's budget making process. By 1983, under Patti Jacobsen's administration, the City Council adopted another resolution which established a "Budget Advisory Coordinating Committee" (BACC) whose function was to oversee the BAC process. The "Big Bac," as the BACC came to be called, was formed through membership drawn from the chairs of each of the BACs. The BACC was to

serve several purposes, including a clearinghouse function by which it would generate overall assessments and recommendations pertaining to budgeting options, thereby augmenting the BAC process by enabling BACC members to step back from individual Bureau perspectives. The BACC would present its own recommendations to City Council, and would focus on "big picture" issues, thereby offering ballast and support to the citizen role in the budgeting process.

The program had grown from five committees in 1974 to fifteen by 1983. Formalizing the BACC structure was in part necessary in order to coordinate this program expansion. This resolution also served to shore up the BACC's stature by requiring the Budget Division of the Office of Fiscal Administration to analyze and incorporate BAC reports concurrent with the General Fund balancing process, thereby making the BACs full partners in the budget planning and review process.

Beginning in 1986, the Budget Advisory Committees were renamed "Bureau Advisory Committees" in formal recognition of their expanded role vis-a-vis policy and program planning. At that time, the program had grown to encompass twenty-three BACs. In September 1987, new Goals and Guidelines were adopted in order

to more fully specify the respective roles of the BACs and the BACC, and to formalize relationships between these two functions as well as between them and bureau personnel and city commissioners.¹

Adoption of these Guidelines formalized the role of the "Management Review Committee," which had been functioning but without formal status. The MRC consisted of a representative from each of the Commissioners' offices, the Auditor's Office, managers from selected bureaus, and two citizen representatives from the BACC. Formal adoption of the MRC function was a significant victory for the BACC, which had lobbied the Council for its ratification by resolution in 1987. The MRC thickened the accountability profile of the BACC by establishing a committee inclusive of all the important budget stakeholders.²

Newhall's administration would build from innovations instituted under Jacobsen, notably through increasing the stature of the BACC. Several pressures would shape this response. First, through the latter half of the 1980s, City Council was undergoing ongoing fiscal trauma as the region struggled to climb out of

¹ From "BACC Longrange Report, FY 88-89", in ONA Policy and Historical files.

² From "BAC, BACC Goals & Guidelines", September 1987, in ONA Policy and Historical files.

the 1982 recession. In addition, high inflation rates in 1979 and 1980 and dramatic decreases in state and federal revenues--beginning in 1978 and peaking by 1987--posed serious threats to Portland's ability to maintain historic urban service levels. By 1988, hoped for revenue from state taxes on liquor and cigarettes would remain flat.³ Council aspirations to restore seriously diminished general fund reserve balances and complications surrounding police and fire bureau budgeting--including tremendous political pressure to fill 20 police officer vacancies--would contribute to an anticipated \$11 million budget shortfall for FY 1988-89 (Oliver, February 9, 1988).⁴

After discovering technical errors in revenue projections, the \$11 million disparity was quickly closed to \$9 million. Across the board cuts in bureau proposals would bring that figure down to \$3.5

³ From "Auditor's Report: An Evaluation of the City's Financial Condition: 1978-87" in OF&A files.

⁴ The *Oregonian* followed the budget process closely, issuing a curt challenge to the City Council in a February 4, 1988 editorial under the banner, "Trim fat for more police". The editorial drew attention to Council members' proposed budget increases of \$18 million to cover various program expansions over FY 87-88, and noted how these proposed increases conflicted with Council's commitment to the Mayor's "Safer City Plan," which called for increased commitment to public safety related programming. The editorial questioned whether the Council's "voiced commitment to a safer city (was) real, or just political rhetoric in a year when a majority--three members--of the City Council are seeking re-election?" (From "Trim the fat for more police" *Oregonian*, February 4, 1988, in John Legry's personal files.)

million. Still, the shortfall would trigger conflicts on the City Council, and allegations from some Council members that the budget planning process had been skewed to favor some bureaus over others without a clear process for priority setting (Oliver, March 21, 1988). It would be during this budget planning cycle that ONA was threatened with a 50% cut in its program budget, a cutback that would potentially devastate the DCB program. Swift political action by Newhall to mobilize citizen dissent, along with support from key Council members, headed off this threat. The ONA budget cut proposal had originated as part of a revamped budget review process which, though unintentionally, conferred greater control to OF&A than had been customary.

The actions of Newhall's office to go public with the cut proposal highlighted the political flux that shrouded that year's budget planning process in suspicion. Commissioner Earl Blumenauer, in particular, would reference proposed ONA budget cuts, made by the OF&A, in a critique of budget planning procedures that had been instituted that year which he believed short-circuited Council's authority and BAC oversight. Blumenauer stated in part:

The City's decision making process should be public and participatory. The public in general, and the scores of volunteers who serve on budget advisory committees, deserve to understand our process and have access to it. For example, not 'deal' should be struck without citizen review and discussion on the budget.⁵

Probably due in part to the strong support it had garnered over the previous two years--especially from the Auditor and Mayor, as well as Commissioners Blumenauer and Lindberg--the BACC aggressively pursued further innovations in the Fall of 1987, including an expanded executive committee, and plans to institute a Commissioners' BAC. The "COMBAC", as it was called, was an effort to parlay the support of the Auditor, Mayor, Lindberg and Blumenauer into expanded institutionalized authority for the BAC program. The political flux on Council triggered by the budget complications that year probably also played a part in stimulating this movement to expand BACC authority. As outlined in a memo to the Mayor and Commissioners, the executive committee of the BACC would serve as the COMBAC, with two BACC members leading each COMBAC team.⁶ As such, the COMBAC would serve as a

⁵ Blumenauer memo to Bud Clark, "Principles and priorities for FY '89 budget", February 17, 1988, in John Legry, personal files.

⁶ From "BACC to Clark, cc the commissioners, August 6, 1987", in John Legry, personal files.

subcommittee of the BACC. The BACC probably also hoped that this measure would address organizational maintenance issues it had been dealing with around that time. An ONA evaluation of the BAC program done in Fall 1987 revealed that half of the BACs failed to make presentations to elected officials during the FY 86-87 budgeting period. The evaluation also noted erratic communication between BACs and Commissioners Koch and Bogle.⁷

The COMBAC would issue two recommendations during the 1988 budget reviews: that the Commissioners institute annual performance evaluations of staff members, and that they shed programs that would not typically be attached to their offices (Oliver, February 9, 1988). Both Lindberg and Blumenauer responded positively to the second proposal. But the first proposal would be more problematic. Review of Council office staff impeded the flexibility that these positions had historically provided Council members in responding to work load issues. Also, Council positions were (and remain) non-civil service positions. As such, they serve a patronage function Commissioners have counted upon to engender loyalty

⁷ From "FY 1986-87 Bureau Advisory Committee Survey Results", in John Legry, personal files.

and to deal with re-election strategy. Subsequent critiques in 1989 by the COMBAC that focused on Council office travel budgets were also not well received in most cases. These dynamics most likely played a part in limiting the COMBAC's tenure, for it would not gain official sanction in a 1989 re-write of the BAC & BACC Guidelines.

Although able to consolidate greater stature for its programs through its wise maneuvering through the political flux on City Council in 1988, the ONA program would itself be significantly altered in 1989. In its urgency to cut unnecessary spending, the Council approved program changes--following a proposal first presented by Blumenauer--in its human services obligations which would shift responsibility for staff support of three advocacy commissions to ONA, including the Commission on Aging, the Metropolitan Human Relations Commission, and the Youth Commission.

By 1992, support for the BAC program began to falter. By 1993, Mayor Vera Katz had instituted a biennial budgeting process. This stretching of the budget planning timeline would tax volunteer commitment to the breaking point, and would initiate a spiral of disinterest in maintaining ONA's commitment to staffing the BACC. By 1994, the ONA and OF&A

agreed to support the BAC program in principle, but ONA would cease staffing the BACC. Without the BACC to serve steering committee functions, the BAC program would fall into disuse over the next few years. Today, very few bureaus continue to host a BAC.