

BAC meeting #1: Thursday, November 16, 4-5:30 p.m.

Welcome and introductions

What does success look like for the BAC? What are you bringing to this process?

- Donnie Oliveira, BPS Director
- Eric Engstrom, BPS Deputy Director
- Harmonie Dashiell, BPS Interim Equity Manager
- Julie Ocken, BPS Strategic Projects
- Anthony Locke, City Budget Office
- Kevin Block, BPS PUUC member
- Brandon Spencer-Hartle, BPS Protec17 member
- Nicole Kosina, BPS DCTU member
- Mary-Rain O'Meara, Planning Commission Chair
- Megan Horst, PCEF Committee
- Calvin Hoff, CIC member

BAC members not in attendance

- Juan Muro, Digital Inclusion Network

Presentation

Budget Advisory Committee generally

Eric: All bureaus have a BAC, which include management, labor, and community members in the discussions. This is to give input to the bureaus so we're not creating the budget in a vacuum. Please ask questions as you have them.

Roles & Purpose

- Understand the BPS work program, priorities, and funding sources.
- Share community perspectives, particularly the needs and priorities of historically under-represented communities.
- Inform and advise on how BPS prioritizes its discretionary resources to achieve desired community outcomes.

Components of the budget submittal include:

- Bureau Narrative (what we do, trends/issues, equity analysis)
- Base Budget
- Program Offers
- Decision Packages (cuts, ongoing additions, one-time funds)
- Reporting Performance Measures
- BAC Letter

Budget Cycle

Ongoing monitoring and updating through the year (slide 6).

Performance Measures

The City's performance management work and reporting intends to answer the following questions:

- What do we intend to accomplish?
- What did we accomplish?
- How efficiently did we accomplish it?
- What impact did our accomplishments have on Portland communities, in particular, Black, Indigenous and other Communities of Color, and those with disabilities?

Four types of measures include:

- Workload measures describe a quantity of work performed.
- Output measures are things that the bureau "produces". Outputs are activity-oriented, measurable, and usually under managerial control.
- Outcome measures answer the question, "Is anyone better off?" because of the program/service. External forces can limit managerial control. This category may include measures of service quality.
- Efficiency measures are inputs used per unit of output. They tell at what cost (whether time or monetary) the units were produced.

Program Offers

- This is how we structure our service delivery. Each program offer has measurements, value proposition, and budget. Lots of these are hold-overs from when BPS was two separate bureaus.
- Each has a description and some text about issues and trends within each. We will spend part of an upcoming meeting about these in future meetings.

Linking Program Offers and Performance Measures

- Each Performance Measure is linked to one or more Program Offers.
- With new BPS programs, we will have new/updated PMs in this year's budget as well.
- We can link across Program Offers if PMs are relative to more than one... including cross-bureau.

Lots of the work at BPS is long-range and long-term. These programs are tricky to measure on a year-to-year basis often since they are slow-moving. We are thinking about how we can think about shorter-term measures we can track to be sure if we're on target and moving in the right direction.

Donnie: One unique facet of this year is that we'll have two directions from the Mayor's budget guidance because we will be budgeting both for the current and future form of government.

147 program offers in the City are the base building blocks for the City – but there is no guidance about the size of each offer. Some are huge and some are small, both in terms of dollars and FTE.

Brandon: Can you connect the dots between the Program Offers and Performance Measures? For whom are the performance measures written?

- Eric: Ultimately they get reported in the budget then get posted on a dashboard from CBO. Council in theory uses this information to figure out where to direct funds.
- Donnie: There was one-time funding to set up a performance measure group at CBO. We still have lots of refinement to do because not all PMs are trackable on a yearly basis, or they aren't clearly influenceable by City actions.
- Anthony: The performance team is revamping the PM process and developing new measures. This will be a multi-year project.

Overview of BPS's mission, strategic plan, and key initiatives

A note that the current strategic plan doesn't include the programs from the Office for Community Technology, which was incorporated into BPS last year (the strategic plan was created in 2021).

BPS's Strategic Plan: 3-year outcomes

Generally BPS's programs and goals align into four main categories:

- Equity
- Health
- Prosperity
- Resilience

The current organizational chart (slide 14) shows how BPS's structure and large bundles of work. Each has an associated budget, but the overall organizational chart is a bit more integrated in some ways.

Mary-Rain: For the General Fund allocation, is that a set percentage?

- Eric: This is based on the number of staff in each program, and we charge a percentage. It's about the Federal OH rate, about 41% typically. Other bureaus have higher or lower rates depending on their staff and work. Our rate is one of the lower because we have a wider diversity of funding, so we're not as dependent on pass-through.
- Donnie: We also pay into the Citywide OH fund.

Program Offers

- This is how we structure our service delivery and what we do. Each program offer has measurements, value proposition, and budget.
- When we write up the Program Offer descriptions, each has some text about issues and trends within each as well.

Megan: Why Equity and Engagement as a stand-alone versus being embedded in each of the programs?

- Eric: It's not to say there aren't equity staff within programs, but we do have a specific team of staff that works on equity and engagement bureau-wide as well.
- Harmonee: We touch all the programs. Often the E&E team members are on project/program teams to make sure this is a focus and priority on how we show up both internally and externally. Oversight and accountability.

- Donnie: The intent was to operationalize the value from a budget perspective. This team is distinctly funded and is more agile depending on the needs of the bureau.

Nicole: MHCRC is not on the list. Good catch!

Sources of Funding

As we touched on, there are several funding sources:

- City General Fund – not rate payer or dedicated funding sources.
- Solid Waste Management Fund – though garbage & recycling to oversee this work.
- MHCRC fund
- IGAs, Grants – this is highly variable depending on the year.
- PCEF – this is the newest, dominant source of revenue. But it's tied to specific work and parameters.

Overall the bureau's budget is about \$120M (last year). This is a big change from just 5 years ago (\$25-40M annually). Slide 18 shows the budget with PCEF funding; slide 19 shows the funding without that.

Nicole: What determines the amount of one-time funding?

- Eric: It depends on the financial forecast and CBO and Mayor's direction.
- Donnie: We try to keep one-time funding to program work, not to hiring staff. It's generally not our preference to get one-time funding unless Council needs us to do some specific work.

Brandon: Which money can we carryover?

- Eric: Orange, green, and yellow (slide 18) are funds BPS owns. But the General Fund goes back into the Citywide fund. So if we don't spend those resources, we don't know if that's coming back to BPS since that money funds 100s of programs around the City.

Different revenues by programs are shared on slide 20.

Slide 21 highlights the ways funding can be used and restrictions on given sources of funding.

Megan: The new plan for PCEF is to redistribute funds to other bureaus as well. Is that reflected anywhere?

- Donnie: This is shown in the FY23-24 bar on slide 19. Because it's revenue-driven, we won't show the expenditure side, but in FY24-25, the revenue will show here. PCEF has a very explicit admin staff, so resourcing other bureaus, we have to be cautious of this. It's about 14% versus the 41% of General Fund OH.
- Eric: This year as PCEF scales up, their funding shows in more and more places as we have more agreements in place. But we still have to work with the other bureaus to ensure the money is being used for the intent of the program.

Nicole: For Smart City and their doing work for other bureaus, are other bureaus giving OH dollars to that work?

- Eric: Right now that is through individual IAs, even though it's Citywide data services and other large work. We are talking about making sure staff has a stable funding source and if we can move them to a Citywide OH model.
- Donnie: And there is question about where overall Citywide data governance belongs in the long-term, which needs to be part of this conversation.

Next Steps

Upcoming meeting schedule (slide 22)

- As we get clarity on our funding, we can share the entitlements/commitments so BAC members can have some grounding.
- At the December 5 BAC meeting, we will discuss our workplans and how/where money is being spent.