

## BAC meeting #3: Monday, December 18, 4-5:30 p.m.

### Attending

- Eric Engstrom, BPS Deputy Director
- Harmonee Dashiell, BPS Interim Equity Manager
- Julie Ocken, BPS Strategic Projects
- Vivian Satterfield, BPS Chief Sustainability Officer
- Anthony Locke, City Budget Office
- Kevin Block, BPS CPPW member
- Brandon Spencer-Hartle, BPS Protec17 member
- Nicole Kosina, BPS DCTU member
- Megan Horst, PCEF Committee
- Calvin Hoff, CIC member
- Juan Muro, Digital Inclusion Network
- Mary-Rain O'Meara, Planning Commission Chair

### Welcome, Recap of Meeting #2

Eric: In the first meeting, we shared general information about the process. Meeting 2 was about program structure and revenue sources. Today we will discuss gaps and issues we may see in this upcoming FY 2024-25 budget. Today we'll then talk about the Budget Equity Toolkit and next steps.

Reminder about the role of the BAC:

- 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.

### Budget Updates

#### Presentation

Eric: Issue identification is a key component. We will talk about it in various ways:

- Program specific items.
- General guidance.
- Expected shortfall.

#### Budget General Guidance

- General Fund Constraint (5%).
- Bureaus must identify cuts.
- Process – Bureaus budgets rolled into Service Area package due in February.

- Non-GF decisions (Waste, PCEF, MHCRC) – Several additional FTE staff and/or conversion of several FTE from LT to ongoing.

Bureau directors will work together within each Service Area, and the budgets will be presented to Council in February in the Service Areas.

Anthony: There will be no decision packages to identify cuts because those conversations will be happening before budgets will be submitted (in collaboration with other bureaus in the service area and/or by individual bureaus). There will be a form we'll use that Service Areas will use to share how they will make/show the cuts.

For non-General Fund decision packages, we do have a need to add a few FTE in PCEF for planned expansion and potentially our other non-GF groups (Waste and MHCRC).

Eric walked through each program area's issues (slides 5-9).

Mary-Rain: During the budget process, is there coordination between bureaus? E.g. if there are roles at BDS that will be laid off that may be cross-bureau program teams, does that impact BPS programs or positions? How does the communication happen?

- Eric: Yes, there are layoffs that affect across. We have daily coordination across bureaus, so it does affect generally. And also depending on the union contract, some have seniority-based situations (e.g. ProTec17 and DCTU). We are working through about a half-dozen specific issues where staff may be displaced. It also effects hiring to fill vacancies because for some union positions we can't fill the vacancy unless we take the person with seniority who's being bumped out of another bureau.

Mary-Rain: For the Graffiti Manager role, did that come from Office of Civic Life? It is the only such role?

- Eric: The Graffiti Abatement Team has 3 FTE at this point (one is vacant). That is the central coordinating body in the City, which coordinates and doles out the requests (e.g. to property-owning bureaus) and also assists small businesses with clean-up through small contracts. It also works with external agencies.

Kevin: If there won't be decision packages, what is the difference between cuts and decision packages?

- Eric: Decision Package is the formal name of something going to Council for review and decision – this can be either an add or cut. There are other decisions that can be made at the bureau or Service Area level before submitting the budget, which is what we'll have to explain in the Requested Budget but not that Council will vote on.

Juan: Can you clarify in the Community Tech group when BPS absorbed OCT but budget hasn't been considered?

- Eric: We absorbed OCT last year, and the budget will and has included the 3 programs (Digital Inclusion & Smart City; MHCRC; Franchise Utility). Each has a budget that we refer to collectively as Community Technology. General Fund is DI & Smart City and Franchise Utility and will be subject to the 5% constraint consideration; MHCRC has its own budget that is an IGA, and one revenue source is from the City of Portland, which we assume will be in the 5% constraint too.

Nicole: Can you expand on the BTS costs? And in terms of Internals Services, there was something about translation.

- Eric: A few years ago, a few positions that were BPS's were moved up to BTS, but we pay via an IGA **and** we pay overhead, so in light of the cuts we need to figure out what the correct payment is and how the money is being used. Re: translation we have been budgeting this within each program budget. But to encourage all programs to be consistent about using translation, we are trying to develop a central pool within the Internal Services budget. This is an effort to make sure we have adequate resources for all translations equitably.

Megan: What about the PCEF money that other City agencies are trying to get? And how do you envision looking at required cuts for BPS?

- Eric: Mayor's budget instructions alluded to PCEF as well. PCEF had a budget surplus, so there have been dialogues with other bureaus about where and how those funds can support existing programs. This is not yet complete, so we're not sure what this means for our budget, but it is definitely part of the next steps. The first thing is that we'll load what we think we need budget-wise then will compare program-by-program. In some programs we'll be able to look at things (e.g. just with vacancies or contracting dollars) and make it work. Then we will look at realignment, etc as necessary. Because BPS has a greater variety of resources than other bureaus (not just General Fund), this is possibly a smaller problem for us. The other filter is the "color of money" and what/where/how some funds can or can't be used.

Brandon: To the extent you're able to, can you share historical perspective about a 5% constraint? In deeper cut years, I understand there were options for early retirement or reduced hours – is that a Council directive or at the bureau level?

- Eric: We've definitely faced 5% constraints before. Council will often ask for options in the 2-6% range. In 2018 or 2019 we had to propose candidate cuts, but we were able to persuade Council to add back that cut. After the 2008 and 2009 recession, we lost a number of positions through cut positions (e.g. planning and admin positions). The most common way is to cut vacant positions; Council or BHR will lead things in the realm of directives for this. Furloughs happened in 2020, which was focused on non-represented staff (e.g. managers and non-unionized staff), but this happens centrally. Council can also choose to forgo merit increases or COLA increases, but again, this is a City directive.
- Anthony: In past years, there have been different approaches to identifying reductions. Often budgets are submitting cuts that aren't the best faith cuts (e.g. things that they know Council won't cut), so that's part of why we see a constraint and need for collaboration in this year's direction to identify real cuts and have the conversations before submitting the budgets for Council review.

Nicole: Is there guidance about the Service Area packages? Are bureau budgets separate or collective or room for cross-bureau staffing?

- Eric: There is more guidance coming about the transition, but that wasn't offered in today's memo. My understanding is the bureau budgets will be individual within the submittal to Council, but the cover memo will state decisions made about the bureaus within the Service Area.

- Anthony: Identifying redundancies, inter-agencies, and other efficiencies are ways that a Service Area can review options for alignments and cuts.

Dollar-wise for General Fund, 5% from the \$15M is about \$7-800,000... so about 5ish positions or that amount in contracts, etc.

## Budget Equity Toolkit

### Presentation

Harmonee noted we haven't yet received direction for this specific year, but we expect it to be like previous years' equity tools. This started in 2016 for all bureaus to share how we fund our equity strategies, impacts to equity, and other equity-related initiatives. This is submitted with the Requested Budget and is then commented on ("scored") by the Office of Equity & Human Rights.

Harmonee shared the 13 questions that have been included in the previous years' equity toolkits. This write-up isn't an exhaustive list of the equity work BPS does but more of a refined highlight list to show we are centering equity in the decisions we make and how we budget.

We will have more details about what the work this year will look like in the upcoming week, then Harmonee will work with Eric and our managers to collaborate to align what we submit in the equity tool with the overall budget.

OEHR is creating a dashboard (outwardly facing to the public) for this year's budget. It will just be what each bureau submits in this initial year as an accountability feature. In the next years, there will be more of a reactive piece and an overhaul of the tool (with outreach/engagement, adjustments, etc). So next season's budget process and BAC will likely have some conversations around that.

Juan: Will this committee have visibility to the BPS dashboard for demographics? And how does this impact managers' decisions?

- Harmonee: The dashboard will be visible to everyone. We hope to be able to send the write-up out to our BAC members but are unsure timing-wise before it has to be submitted since the turn-around is very tight. Less of the FTE is up to an individual manager but more about the decisions being made to best serve the overall good. But it does show up in the tool write-up if we don't have funding, etc.
- Eric: Within BPS, it's feasible to deal with the cuts based on vacancies and non-staff funding, but we still have to do the math. We don't expect this to be cutting a staff person with demographics.

### Wrap-up, Next Steps

We will do the math to see what it means for each program and with the constraint what we might have to do to solve issues (internally, inter-bureau conversations among bureaus, etc). Then we will be able to share more in January about these moves and suggestions.

Brandon: As a BAC member and ProTec17 rep, it's promising to hear about being able to absorb budget cuts without cutting staff. We do also have limited duration staff whose positions will end at the end of the fiscal year.

- Eric: Yes, there will be staff leaving in July. And because this is a multi-bureau situation, there may be positions or people moving across bureaus.

Nicole: Because this is new to lots of us this year, in the upcoming meeting can we see how many limited term positions we have in each program (hard numbers)?

- Eric: Yes, we certainly can provide this. In some cases, the limited term staff are definitely ending this year; in other cases the projects won't conclude but there may be other options after that. Some of these decisions happen later in the Spring budget adjustment phase.

Kevin: With relation to limited term folks, probationary employees would be considered full FTE? Yes?

- Eric: Yes, that is not considered a vacancy.

Because we got the budget guidance today, we are talking more generally than we expected to talk. So more discussion will happen at meeting #4 (January 11), and then we will discuss if we will want to have another meeting later in January to do some more finalizing.