



FY 2021-22 Budget Kick-off

City Budget Office
December 3, 2020

Agenda

Item	Presenter
Welcome	Jessica Kinard
Budget Guidance	Jessica Kinard
Economic Outlook & CAL Targets	Josh Harwood
Budget Process	Christy Owen
OMF Interagency Agreements	Aaron Beck
Performance Management	Shannon Carney
BFM & Patternstream	Jess Eden
Budget Equity Tool	Koffi Dessou & Christy Owen
Questions?	Team

Welcome!

If you have questions during the presentation, please use the 'raise hand' function.

This meeting is being recorded for others to be able to view online

Budget Guidance

Focus: preparing for recovery, maintaining flexibility, serving the most vulnerable/most in need:

1. Prioritize existing resources towards Portlanders most affected by the public health crisis and/or economic crisis;
2. Leverage stable, available funding sources – such as bond proceeds or available ending balances – to responsibly stabilize services and/or stimulate growth and recovery;
3. Continue and expand cross-jurisdictional and cross-sector partnerships;
4. Use data and evidence to minimize impacts to core services and vulnerable community members.

Budget Guidance, cont'd

Most bureaus will need to identify some reductions. The Mayor asks bureaus to:

- Examine your long-standing systems, processes and programs – are they serving Portlanders equitably, efficiently and effectively? Please articulate in your program offers the data and evidence informing your proposal.
- Look at the why behind your services and programs. Are you required, or are you choosing, to provide these services?
- In line with the results-based accountability framework, ask of your programs, who benefits?
- Are new programs achieving the results you thought they would?
- Are your bureau's operations moving us closer to our carbon reduction goals?
- After considering these questions, please propose reductions that meet as many of the following criteria as possible:
 - Not serving those most in need
 - Little evidence of effectiveness
 - Not required by City Charter or Code
 - Duplicative of services provided by other bureaus or governments

Budget Guidance, cont'd

General Fund Guidance

- 5% 'constraint' for all GF bureaus and transfers except bureaus with fewer than 30 employees (but CBO not exempted)
 - Bureaus should submit single package with constraint reduction; explain reductions and impacts in DP narrative.
 - This is an ongoing General Fund reduction requirement
- Bureaus may request discrete items be 'added back' to recover a portion of the constraint
 - If a bureau is requesting the adding back of multiple items, must rank preference of addbacks
- No new add requests allowed currently
 - Realignments allowed
 - Mayor may revisit in coming weeks
- Non-Rep merit should not be assumed in requested budgets

Budget Guidance, cont'd

Ratepayer Guidance

- Must remain within rate increases presented during FY 2020-21 budget development
- Focus on affordability for PWB and BES; OMF asked to support bureau requests to reduce services and costs

Budget Guidance, cont'd

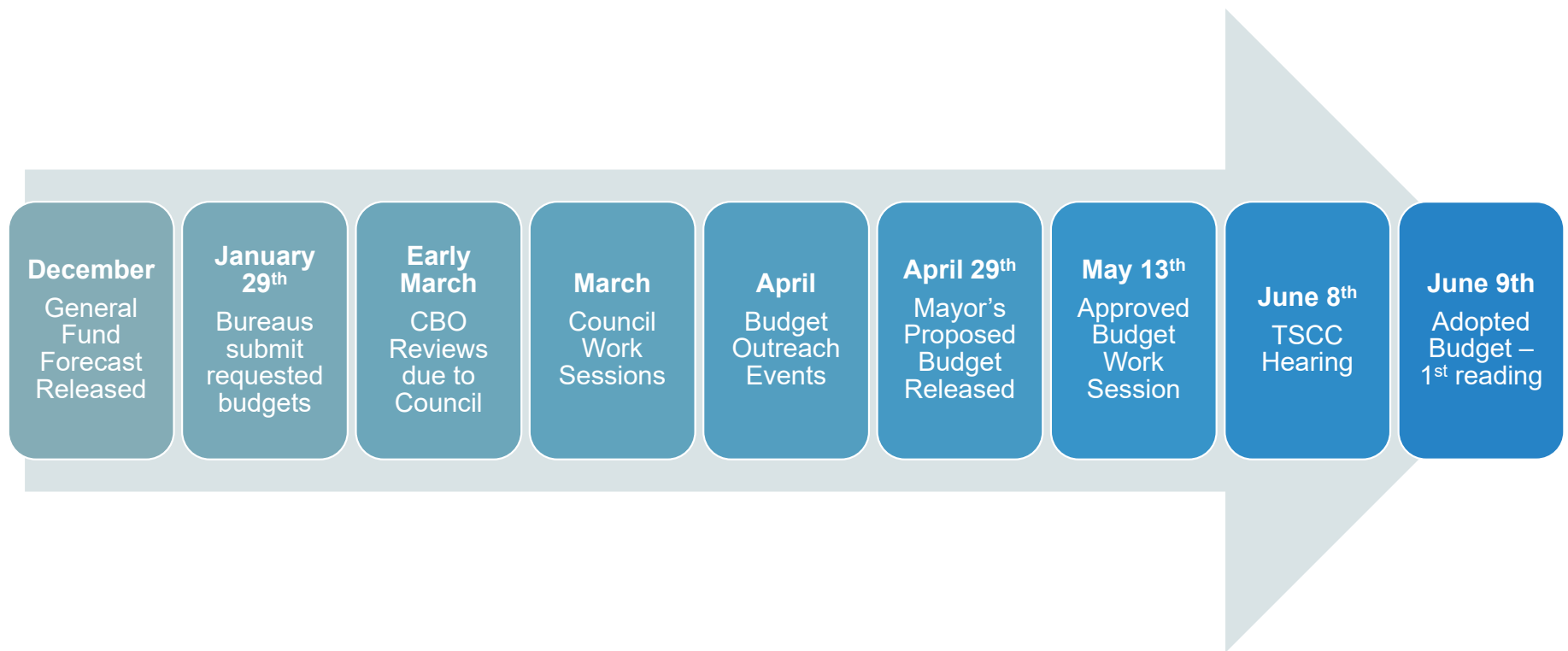
Collaboration

- Public Safety Bureaus will develop individual responses to this guidance, but expected to also collaborate with each other and the CAO to find savings to efficiently meet reduction targets
- All bureaus asked to collaborate to streamline processes and eliminate duplicative functions; bureaus which collaborate will be 'viewed favorably' in the development of the Mayor's Proposed Budget.



Economic Outlook & CAL

FY 2021-22 Budget Timelines



Budget Process Notable Changes

FY 2021-22 Budget during virtual working environment

- Electronic submissions
- Virtual Council Work Sessions & Hearings

Fewer Work Sessions

- Final Schedule in early February
- Not every bureau will have a work session

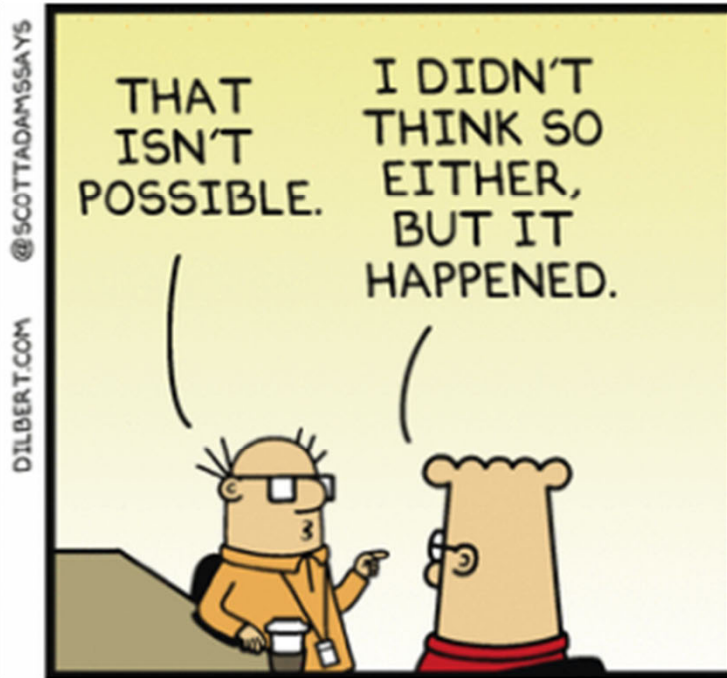
Budget Manual

- Includes budget guidance and technical instructions for BFM and Patternstream
- Available next week



OMF Interagency Agreements

Presenter: Aaron Beck



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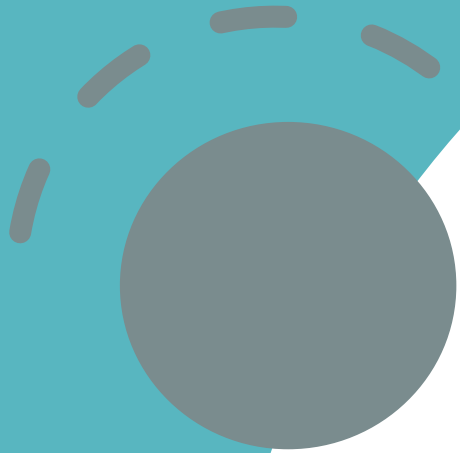
Performance Management

2020 Was a Crazy Year...For Performance!

Thank you for working with us to:

- ✓ Create the new Citywide Measures category
- ✓ Provide more guidance on performance measure reporting practices
- ✓ Launch the Performance Advisory Committee
- ✓ Provide more in-depth training





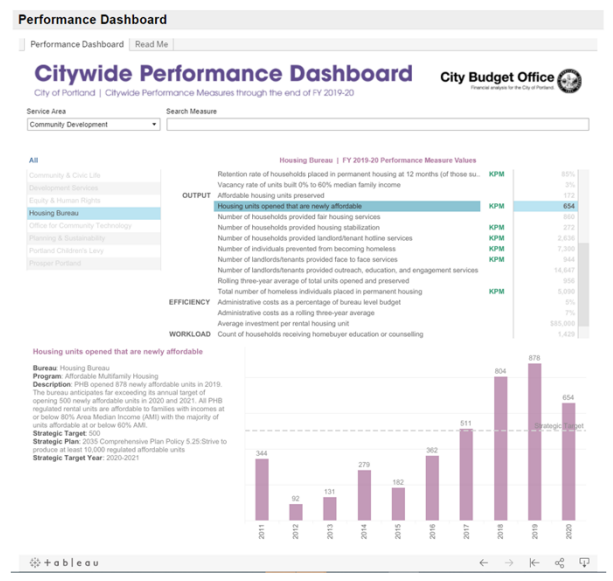
So, what's new in FY
2021-22?

Annual Targets will be Optional



Process Update

- New for FY 2021-22, annual targets optional
 - Still encouraged where useful!
- Strategic targets still required for all measures



Graphed Measures will be Removed from the Adopted Budget Document

New BFM Administrative Powers for Bureaus



(Relatively) new Performance Measure Update Form

- To make updating historical data easier
- Find it in BFM Reporting>Performance Management folder
- Get help from your CBO Analyst



Bulk uploads of performance measure metadata

- CBO will be offering a “bulk upload” option for performance measure metadata in 2021.
- We will provide instructions when the process is available.

New Metadata Fields

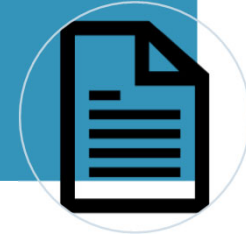
- Check if more detailed data is available to measure owner.
- ✓ Geographic
- ✓ Demographic
- Update for all existing performance measures

Disaggregated
Data Flag



- For documenting any “additional info” by CBO or bureau staff
- Optional

Notes Field



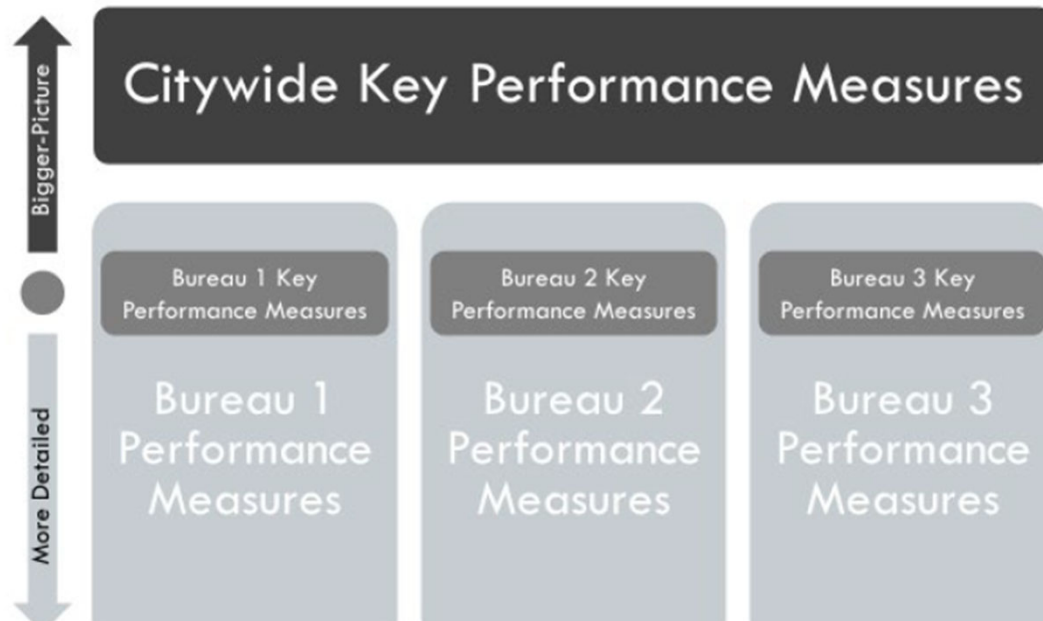
What's Continuing in FY 2021-22?



Annual Reporting

- Connect with your CBO analyst about your bureau's suite of measures
 - Last year's [performance reporting guidance](#) may still be applicable
- Review your performance measures and Key Performance Measure selection with your Commissioner-in-Charge prior to Requested Budget submission

Citywide Measures



- New measure category in FY 2020-21
- Track population-level outcomes that involve multiple or all bureaus
- Many measures are disaggregated by race & disability status
- Found in Adopted Budget in the “Performance Overview” section



Performance Workshops & Support



Watch for an “e-learning”
version of Performance
101 in early 2021



All materials are linked in
Section 5 of the Budget
Manual



There's still time to sign up for
**Performance 201: Technical
Aspects of Performance!** Offered
December 10th, 10-11:30 am

Performance Advisory Committee (PAC)



- Advise the CBO Performance team on Citywide performance management strategy
- Share ideas and experience with other performance champions
- Open to bureau and Council staff
- Ongoing meetings: 4th Wednesday of the month, 2-3pm

BFM & Patternstream



New Feature! A Sandbox has been created



BFM Training Dates: December 9th and December 10th

City's Commitments to Equity



2015 policy and citywide goals



City's revised goals- June 2020



Citywide bureau director letter June 2020



There is clear executive support for furthering equity in all areas of City services.



The Budget Equity Tool is a resource to support the development of a bureau's budget.

City's Commitment to Equity

Revised Core Values in June 2020:

- Anti-Racism
- Equity
- Transparency
- Communication
- Collaboration
- Fiscal Responsibility



City's Commitment to Equity (cont.)

- Budget Equity Assessment Tool as a Binding Fiscal Values-Bases Policy
- Budget Equity Assessment Form embedded in the Budget Formulation Management (BFM) platform by CBO
- Every Bureau (agency) completes the Equity Form in BFM
- Equity Impact Statement required in every program offer every year



Social Equity and Budgeting Process at City of Portland

- Application of Racial Equity-Centered Results-Based Accountability™ Framework
- Review of Performance Measures for every program budget to include “Better Off” measures at the population level
- City Audit Services integrated the Racial-Equity-Centered Results-Based Accountability™ Framework in their work



Bureau Budget Equity Tool

- Designed to facilitate conversations during the development of bureaus base budgets
 - The questions and framework for FY 2021-22 are consistent with the FY 2020-21 Tool
- Important to engage throughout the year
 - Bureau equity managers/practitioners
 - OEHR staff

Use of the Budget Equity Tool



Anyone involved in the budget process should be familiar with the budget equity tool questions.

Share the tool early

OEHR Resources

Anyone making decisions in the budget process should contribute to the budget equity tool



Leadership should review the tool at least twice

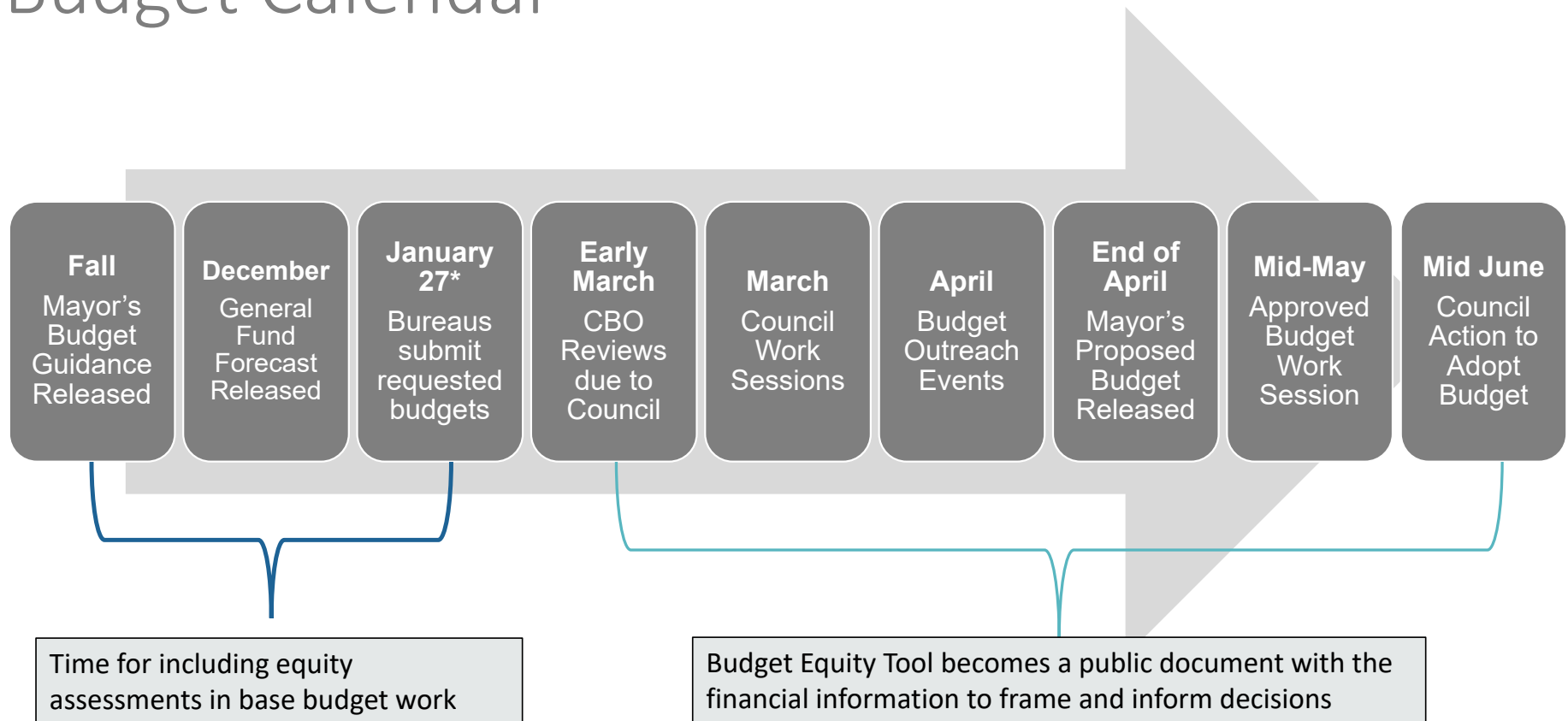
Early to provide direction

Prior to submission to approve final decisions and impact



Equity managers should be treated as key *advisors* in the process. It is not their responsibility to complete the document, but they should advise decision-makers on opportunities to enhance equity in decision-making which will inform completion of the tool.

Planning for Equity Assessments in the Annual Budget Calendar



OEHR's Review of the Budget Equity Tool

OEHR issues a bureau-by-bureau review and provides feedback to CBO, Council, and Bureau leadership on each question in the tool.

Budget Tool Equity Question	OEHR Qualitative Descriptions		
Question & BFM Location	Expandable	Compatible	Robust
<p>Equity Goals: How does the Requested Budget advance the achievement of equity goals as outlined in the bureau's Racial Equity Plan?</p> <p>BFM: Header Tab</p>	<p>Needs to expand to have an equity goal ide</p>	<p>Includes an equity goal identified for the coming year.</p>	<p>1) Has an equity goal identified for the coming year. 2) Goal is realistic - i.e. it is achievable. 3) Goal aligns with Bureau's Equity work. 4) Goal is identified as supporting internal or external equity efforts. 5) Goal aligns with Strategic Plan.</p>

CBO's Use of the Budget Equity Tool



CBO REVIEWS &
RECOMMENDATIONS



PROGRAM OFFERS AND
PERFORMANCE DATA



EVALUATION OF
TRADEOFFS

Integration of the Tool with Budget Submission



BFM, the City's Budget Software has a specific form for the Budget Equity Tool



Supporting documents to assist bureaus in entering the inputs from the Tool into the BFM form



The Form allows for reporting, analysis, attachment of performance measures, without reliance on piecing Word documents together.

Why this Process?

Budgeting is More than Accounting

Budgeting is not a simple accounting mechanism.

Budgeting is a process that reflects the values and priorities of a society, so budgets are also moral documents. The values of the communities we serve should be reflected in the process and the results.

Supplemental Slides

Historical General Fund Budget Guidance

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
December Forecast	(\$17.4M Ongoing)	(\$25M Ongoing)	\$5.9M Ongoing; \$3.3M One-time	\$4.6M Ongoing; \$14.4M One-time	\$0 Ongoing; \$11.1M One-time	(\$4.0M Ongoing); \$18.8M One-time	(\$4.5M Ongoing); \$22.5M One-time	\$2.9M Ongoing; \$9.9M One-time	\$0.1M Ongoing; \$10.8M One-time
Cut Guidance	4%, 6%, 8% cuts	10% cuts	CAL	CAL	5% cuts; 0% for housing	5% cuts; 2% cuts for Public Safety and Housing	5% cuts	1% constraint	CAL; Public Safety 2% reduction over 3 years
Add Guidance	No add packages, except for serial one-time programs.	Modified zero-based approach; no add packages, except for serial one-time programs.	Ongoing requests limited to Mayor's priorities.	Ongoing adds require offset; One-time focused on existing assets.	Ongoing adds for high priorities; One-time for critical needs	Ongoing requests for housing and homelessness or to maintaining current infrastructure. One-time requests to decrease long-term costs.	Ongoing requests for housing and homelessness; maintaining critical infrastructure; enhancing livability; increasing public safety and police accountability; pursuing innovation	Requests at the direction of Council.	Adds allowed with 50% offset.