

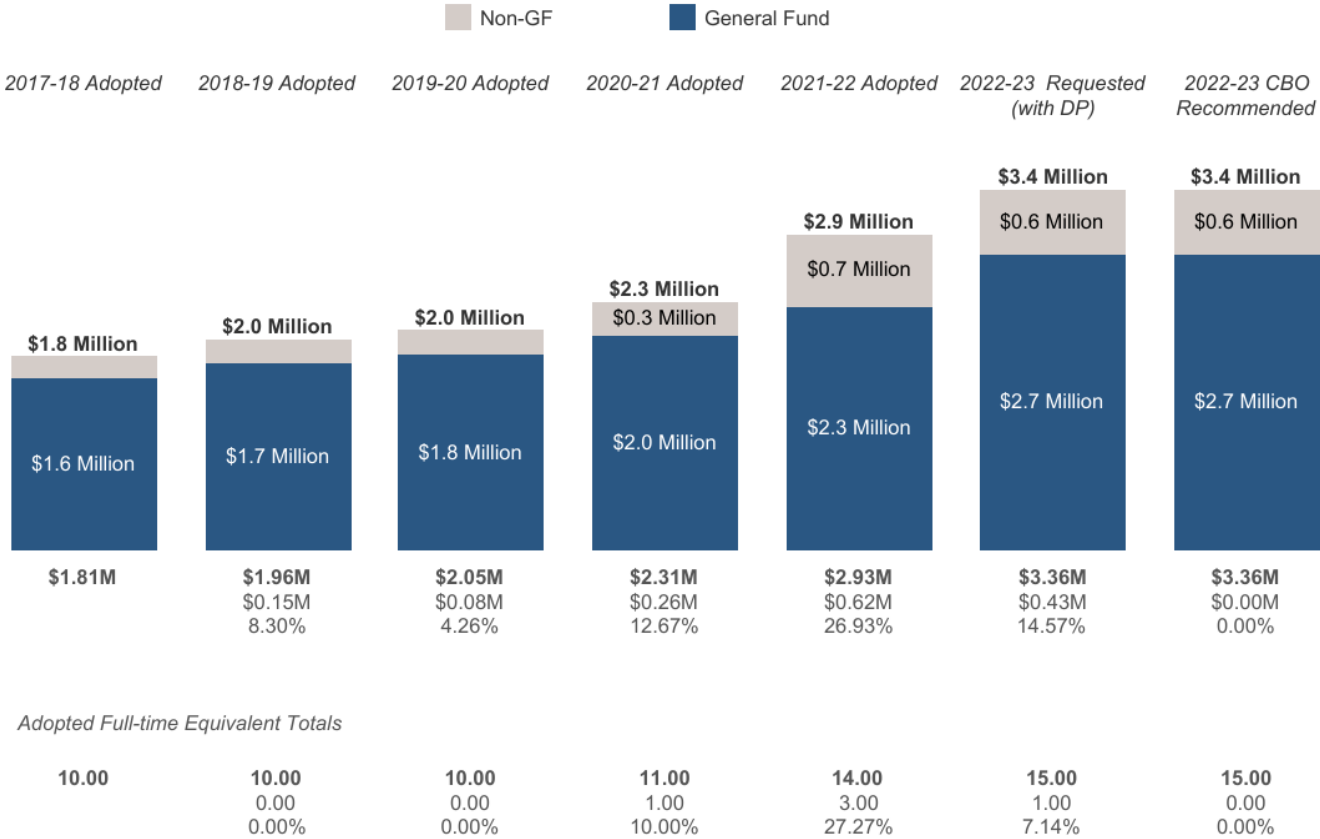


**City
Budget
Office**

Office of Government Relations

Analysis by Anthony Locke

Adopted Budget Revenues | 5-Year Lookback



INTRODUCTION

The Office of Government Relations’ (OGR’s) FY 2022-23 Requested Budget totals \$3,356,425, including \$2,361,207 in General Fund discretionary and overhead resources. OGR saw a 15% (\$426,834) increase to its budget compared to the previous year, attributable to two limited-term ARPA funded positions (\$361,912) and general fund inflationary growth. Due to the ongoing challenge of the COVID-19 pandemic and recent leadership turnover, the bureau has delayed work on its Strategic Plan and its Racial Equity Plan. The current plans do not include two of their newer programs which have been added over the past four years.¹ The bureau has included one decision package for council consideration:

¹ See [754851 \(portlandoregon.gov\)](https://www.portlandoregon.gov/754851). The Tribal Relations Program and Regional Relations Program moved from the Mayor’s

- \$375,000 of General Fund one-time resources to be spread over two fiscal years in support of an additional Limited Term state lobbyist. CBO recommends this request.
COVID-19 Changes

Workload Challenges and Opportunities

The COVID-19 pandemic changed much of how the City operates over the last two years and OGR’s work was affected in at least two ways, predominantly with respect to overall workload and the way they deliver service.

First, the pandemic surfaced new opportunities to pursue and advocate for State and Federal funding. The bureau expects that resources will be made available at both levels for COVID-19 recovery and infrastructure in the next two to four years. Over the past two years, the State Program team has helped ensure that resources from State relief programs be directed to the City while ensuring Portland residents remain eligible for State programs. The bureau expects this work to continue through the expiration of the American Rescue Plan Act (ARPA) and the proposed Infrastructure Investment and Jobs Act (IIJA).

Second, the pandemic has surfaced the benefits and the challenges of a virtual work environment in a highly relational work environment. To advance the City’s legislative and intergovernmental policy objectives, OGR often does its work in person. For example, the State Program reserves part of its budget to maintain a site location in Salem to serve as a headquarters during the short and long sessions. The virtual work environment fundamentally changes these interpersonal dynamics. The bureau mentions that existing networks were stretched thin and creating connections with new elected officials and their respective staff is challenging in a hybrid work environment. According to OGR, the hybrid environment may promote inefficiencies – informal meetings and check-ins that used to happen in a hallway or through a drop-in visit now need to be formalized as a scheduled video call. Reduced local and national travel add to the challenges for the bureau to advocate to their congressional delegation, but it has been feasible over the last two years. It is feasible for the rise and normalization of video calls to potentially lessen the burden on multiple stakeholders from across the State and Country together. Moving forward, the bureau projects travel to resume to pre-pandemic levels in FY 2022-23 and has budgeted accordingly.

FY 2019-20 (short session+ COVID emergency bills)	1 special session: 6/24/20 4 Emergency Board meetings: 3/9, 4/23, 5/15, 6/5 in 2020
FY 2020-21 (long session + COVID emergency bills)	2 special sessions: 8/10/20, 12/21/20 9 Emergency Board meetings: 7/14, 8/5, 8/17, 9/25, 10/12, 10/23, 11/9, 12/11, 1/8
FY 2021-22 (short session + COVID emergency bills)	2 special sessions: 8/20/20, 12/13/20

Table 1: The COVID-19 pandemic has increased State legislative special sessions and meetings.

Third, the pandemic has increased workload as well as opportunities for policy changes and strategic resource direction to address issues exacerbated by the crisis; topics of focus have expanded to include greater urgency around housing, business support, and public safety. Along with the broader portfolio of policy interests came an increased number of sessions and meetings that required OGR preparation and presence as noted in the table documenting all State special session and emergency board meetings since March 2020. As a result of the increased workload, OGR is requesting a limited-term position from one-time General Fund resources for

two years to ensure the City is represented well at the State Level, which is discussed later in this review.

Office to Government Relations in FY 2018-19. Due to delays in the Strategic Plan development, they have not been integrated into the wholistic vision even as they continue their important representative and advocacy work to and with these institutions.

Base Budget Key Issues

The Office of Government Relations continues to balance rising personnel and internal service costs against General Fund resources which grow through inflationary factors mostly outside of the bureau's immediate control. Generally speaking, there is less flexibility in a smaller bureau than a larger bureau with respect to the ability to absorb increased expenses outside of their Current Appropriation Level (CAL). At present, the bureau can absorb rising personnel and internal service costs without programmatic reductions.

The program has seen fluctuations in External Material and Services (EMS) expenditures since FY 2019-20 due to the COVID-19 pandemic. The bureau dedicates notable EMS resources to training and travel, as well as Internal Material and Services resources for local travel through agreements with CityFleet in the Office of Management and Finance. For example, in FY 2021-22 OGR budgeted \$40,000 in interagency agreements with CityFleet for leasing vehicles, and there are no associated expenses as of February 2022. Part of these surpluses during the pandemic has been set aside to update the program's strategic plan and racial equity plan. OGR will presumably request carry-over for \$60,000 again in the Spring BMP so their new director has an opportunity to direct the process. The bureau is budgeting for training and travel as if things will return to "normal" in FY 2022-23.

Interagency & ARPA Funding

OGR received \$361,912 in one-time ARPA funding to fund a Research & Communications Specialist (Analyst II) and a Sr. Research and Communications Specialist (Analyst III) to help with the Recue Plan's program delivery. These positions are tasked to research federal, state, and philanthropic grant opportunities to address COVID-19 recovery, as well as add capacity to bureaus who are applying for grants. Furthermore, these positions assist bureaus to communicate their need for grants while applying a city-wide and Government Relations perspective on potential opportunities. Due to restrictions on eligible use of federal funding, these positions cannot lobby other jurisdictions on behalf of the City. Continued funding for these positions will be contingent upon Council's approval to allocate ARPA second tranche resources towards ARPA administration. These resources, and funding for the positions will sunset in two years.

The bureau also continues to maintain consistent interagency revenue with other City bureaus, which makes up 9% of their total revenue. They maintain that this will be a consistent revenue stream because of [ADM-3.01](#), the Coordination of Government Relations policy. This administrative rule states that OGR is "responsible for managing and representing the state legislative and federal agendas of the City."² Additionally, OGR is responsible for managing and coordinating the City's relationship with sovereign tribal nations which is reflected in two interagency agreements with BES and Water for \$35,000 to facilitate workshops and training. CBO recommends that OGR examine its base service level responsibilities on behalf of the City and explore options for more interagency funding if there remains undue workload pressure on specific programs.

Strategic Plan + Performance Measures

OGR recognizes that their current performance measures do not adequately capture their workload or their commitment to equity. At this time, their Key Performance Measures (KPM) primarily focus on customer service metrics determined by the bureau's annual OGR Customer Service Survey. Part of this is due to the nature of the bureau's work – OGR's primary customers are the City Bureaus and the Commissioner's Offices. The current KPMs indicate that OGR's customers are largely satisfied with their

² See the [ADM-3.01 - Coordination of Government Relations | Portland.gov](#)

work. Furthermore, there is not a clear congruence from session to session that provides helpful comparative data across fiscal years. The nature of changing political and power dynamics at each jurisdictional level requires the bureau to determine an agenda independently for each session, particularly at the State level making them challenging to compare.

Though there are challenges on measuring parts of their work, the bureau still hopes to identify new performance measures after updating their Strategic Plan and their Equity Plan. Regarding performance measures, CBO recommends for OGR to make progress on two fronts. First, OGR could more clearly articulate their workload to Council by developing output measures akin to the tables provided by the bureau in this review. Second, OGR should consult with their small bureau equity manager and other necessary stakeholders to develop more explicit performance measures (internal and/or external) which reflects the bureau's strong verbal commitment to equity.

DECISION PACKAGES

State Relations Program

DP_13069, \$375,000, 1.00 FTE

Request Summary

OGR is requesting \$375,000 in one-time general fund resources for a two-year limited duration State Lobbyist Position and associated travel expenses. This position would help address the increased workload the program has experienced during the pandemic and is reflective of an expected overall increase over the next two years due to anticipated state executive and legislative branch turnover, COVID-19 related challenges and opportunities, and an expanding portfolio representing City interests.

CBO Analysis

The State Relations Program leads development and implementation of the City's annual legislative agenda which reflects the priorities of the Mayor, City Council, Auditor, and bureaus. Per ADM-3.01, the State Relations team is responsible to coordinate and execute the City of Portland's lobbying and advocacy efforts at the State level. Working closely with other bureaus, OGR advocates to advance policy interests, relying on strong relationships across political affiliations and across geography. The program works on the State's two-year budget cycle though the Oregon Legislature meets annually. Long legislative sessions (160 days) occur during odd-numbered years while "short" session (35 days) occur during even-numbered years. In Fall 2021, Council approved a State Legislative Agenda centered on the FY 2022-23 budget priorities: houselessness and housing stabilization, community safety, economic recovery and prosperity, climate and environmental justice, and local authority.

The State Program currently does not have staffing levels that are reflective of the associated workload for upcoming legislative sessions. OGR currently has two positions dedicated to the work, and historically this would be augmented by the former Director who maintained a significant State issue portfolio. This position is currently vacant and there is no guarantee the new Director will have extensive experience working at the State level. The result is that current staff have worked more hours to meet expectations of bureau/Council during the short session and this it is expected to continue next year during the long session. The increased workload without a reduction in expected deliverables is likely to lead to employee burnout and a less effective lobbying efforts for the City on State topics of interest. As mentioned, earlier in this review, the workload challenge is further complicated by the current virtual environment where convened sessions take place. See the tables below to see how the staffing has gone

down when overall workload related to bill tracking has gone up largely due to the COVID19 pandemic.³

Long Legislative Sessions (160 days)

Year	Bill Managers*	Bills Tracked	Bills Introduced	% Bills Tracked	Average Bills / Lobbyist	Testimony at Public Hearings	Average # Testimony / Lobbyist
2013	3	2072	2679	77	691	-	-
2015	3	2180	2799	78	727	-	-
2017	3	2106	2829	74	702	70	23
2019	3	2278	2768	82	759	105	35
2021	2	1709	2519	69	854	74	37

Short Legislative Sessions (35 days)

Year	Bill Managers	Bills Tracked	Bills Introduced	% Bills Tracked	Average Bills / Lobbyist	Testimony at Public Hearings	Average # Testimony / Lobbyist
2014	3	197	266	74	66	-	-
2016	3	206	283	73	69	-	-
2018	3	215	260	83	71	22	7
2020	3	234	283	83	78	24	8
2022**	2	196	266	74	98	19+	9.5+

* Bill Managers = lobbyists with bill portfolios

** Numbers to date, as of February 8, 2022, which reflects 1.5 of 5 weeks

The bureau has indicated that the State Relations program provided testimony at approximately 25 public hearings in this year’s short session (21 hearings in the first week) which reflects the demand on two lobbyists to engage customer interests that align with City priorities.

The bureau notes that their workload will increase for the next two years due to a few factors. First, the anticipated significant executive and legislative branch turnover necessitates increased networking and outreach to establish. Relationships on behalf of the City will need to be established and currently falls to two staff. Second, there is an anticipated workload over the next two years connected to the ongoing impact, opportunities, and ramifications from the COVID-19 pandemic. The bureau received as many issue proposals for the 2022 short session as they received for the 2021 long session. The current staff has had to say “no” to an internal backlog of state policy and budget needs based on their feasibility analysis.

CBO recommends this decision package as requested. As a small bureau, OGR does not have the internal flexibility to realign to meet changing workload demands in the State lobbying program. There is potential for this request to point towards future ongoing needs, whether its increased contractual lobbyists or through the addition of staff in OGR. CBO further recommends the bureau track workload and output measures associated with state lobbying to inform any future consideration for ongoing resources at the conclusion of the two-year limited term proposal.

CBO Recommendation: 375,000 one-time | 1.00 FTE

³ See also the table on page 2 that highlights the extra special seasons and emergency meetings the State Relations program engaged with above their normal workload.

SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

Office of Government Relations

		2021-22 Adopted Budget	2022-23 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Intergovernmental	\$401,912	\$314,219	\$0	\$0	\$314,219
	Interagency Revenue	\$266,000	\$266,000	\$0	\$0	\$266,000
	General Fund Overhead	\$1,266,532	\$1,355,448	\$217,504	\$0	\$1,572,952
	General Fund Discretionary	\$995,147	\$1,005,758	\$157,496	\$0	\$1,163,254
	Charges for Services	\$0	\$40,000	\$0	\$0	\$40,000
Revenue	Sum:	\$2,929,591	\$2,981,425	\$375,000	\$0	\$3,356,425
Expense	Personnel	\$2,163,649	\$2,303,277	\$358,495	\$0	\$2,661,772
	Internal Materials and Services	\$276,081	\$286,077	\$0	\$0	\$286,077
	External Materials and Services	\$489,861	\$392,071	\$16,505	\$0	\$408,576
Expense	Sum:	\$2,929,591	\$2,981,425	\$375,000	\$0	\$3,356,425