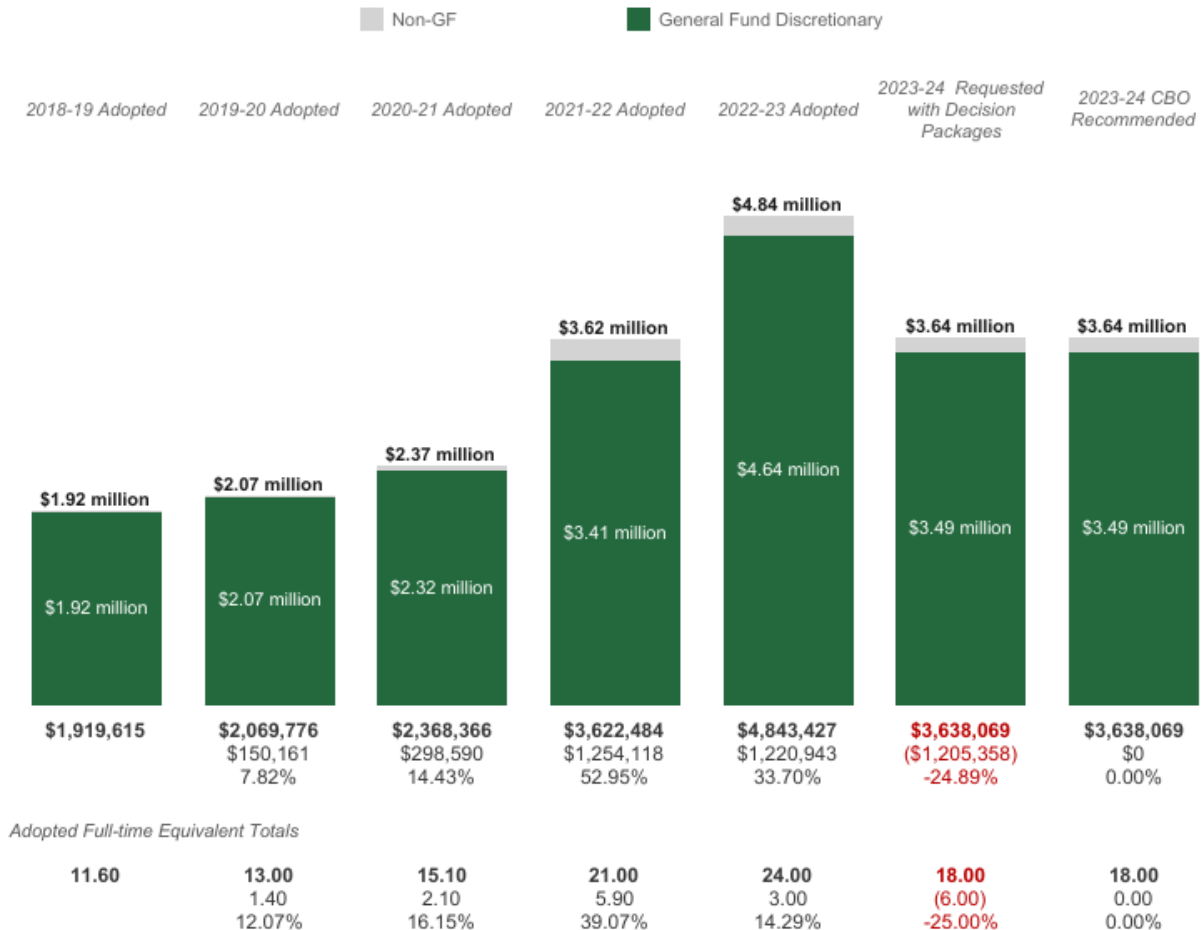




# Office of Equity & Human Rights

## Adopted Budget Revenues | 5-Year Lookback



## EXECUTIVE SUMMARY

The Office of Equity & Human Rights' (Office of Equity) fiscal year 2023-24 Requested Budget is \$3.6 million with no decision packages, a reduction of 22% from the FY 2022-23 Revised Budget, primarily due to absence of one-time funds. In the Fiscal Year 2022-23, the Office of Equity had received \$1.2 million of one-time resource, which amounts to 25.4% of their total revenue in the current fiscal year.

- The Office of Equity is projected to end the year with significant underspending of ongoing resources, ranging from \$500,000 to \$700,000, primarily due to vacancy savings, attrition leading to program

hiatus, and external materials and services (EMS) underspending.

- Concurrently, the bureau will have expiring one-time resources used for programs with ongoing need related to federal compliance with Civil Rights Title VI and American with Disabilities Act (ADA) Title II compliance and citywide performance and accountability systems.
- **CBO recommends the Office of Equity determine exactly how much ongoing need is represented by one-time funded packages to better inform future allocation decisions. Further, CBO recommends that the Office of Equity prioritize their base budget allocations and determine how much is truly needed to support each program, including those with ongoing allocations, while prioritizing critical city needs, legal mandates, and equity goals for the City. Without significant growth in General Fund resources several city bureaus will either be internally realigning to convert one-time resources into ongoing programming or ending the programs when funding expires.**

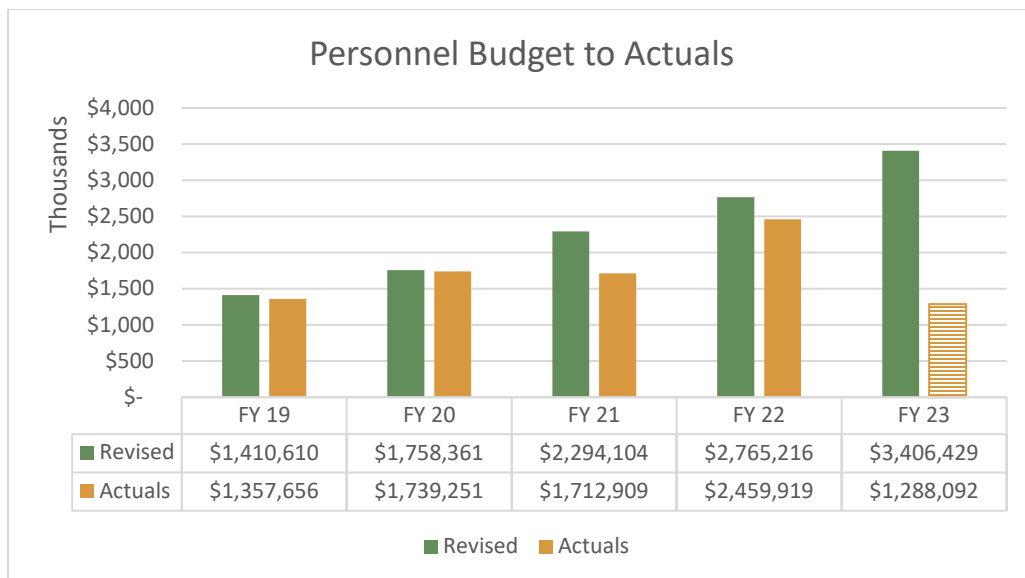
## BASE BUDGET & KEY ISSUES

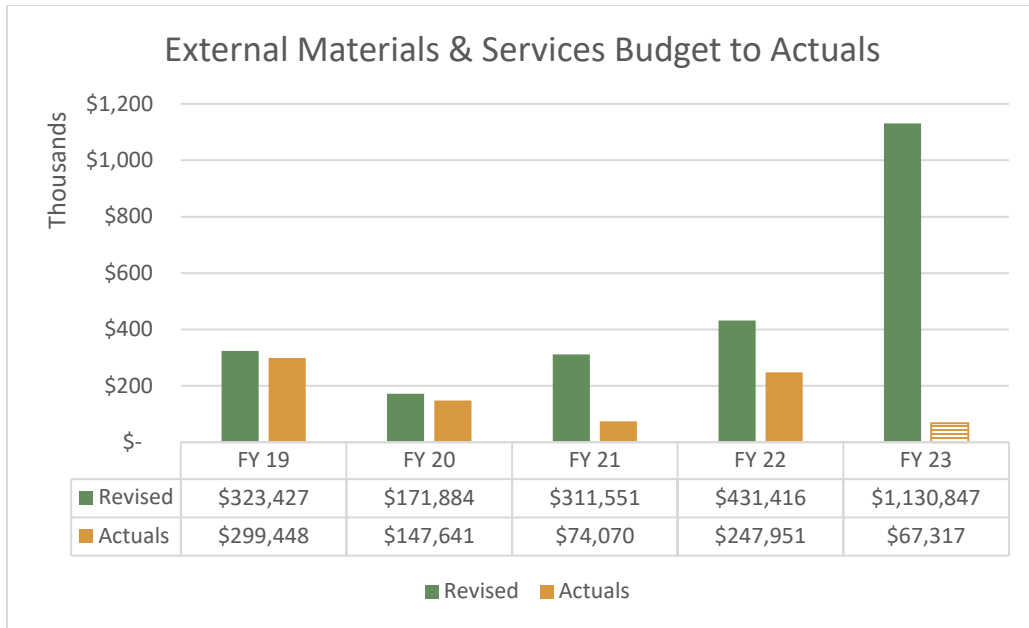
The Office of Equity leads the City of Portland's commitment to equity. By centering race and disability through education and analysis the Office of Equity develops policies, practices, and procedures that strive to dismantle systems of oppression and build equitable foundations for our most systemically oppressed communities. Navigating recent leadership transitions, employee turnover, and a significant allocation of one-time resource, the bureau has the opportunity to reprioritize their ongoing budget to position themselves strongly to continue furthering the city goals of equity and anti-racism in Fiscal Year 2023-24.

### Underspending

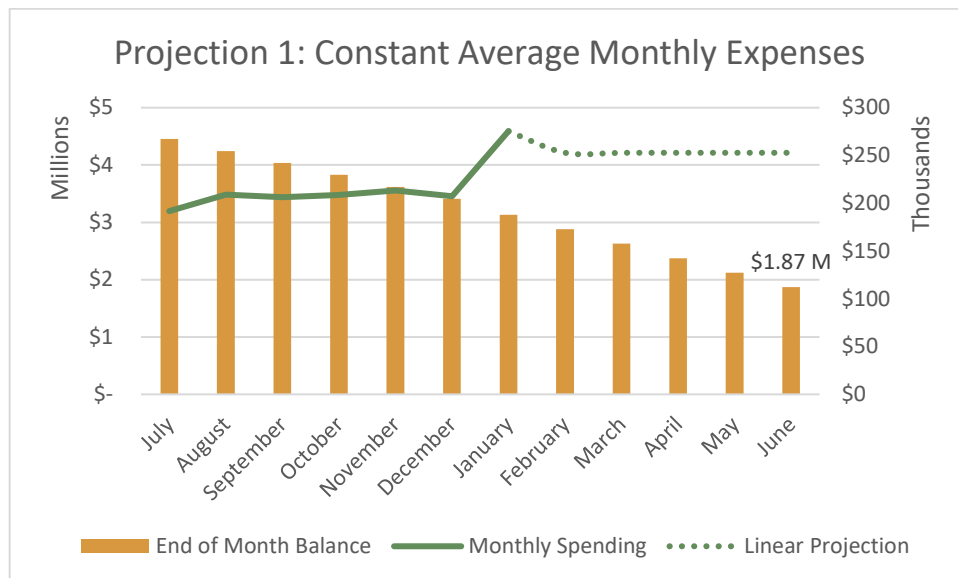
The Office of Equity has consistent underspending of their budgeted resources in the past few fiscal years, primarily due to vacancy savings and External Material & Service spending. Vacancy savings are often due to attrition and delays in hiring. The figures below include both ongoing and one-time resource and show a general sense of the bureau's Personnel and External Materials & Services (EMS) spending since FY 2018-19 the past few years.

*Note: Actual spending for FY 2022-23 is as of February 2023.  
The Office will continue spending throughout the rest of the Fiscal Year*



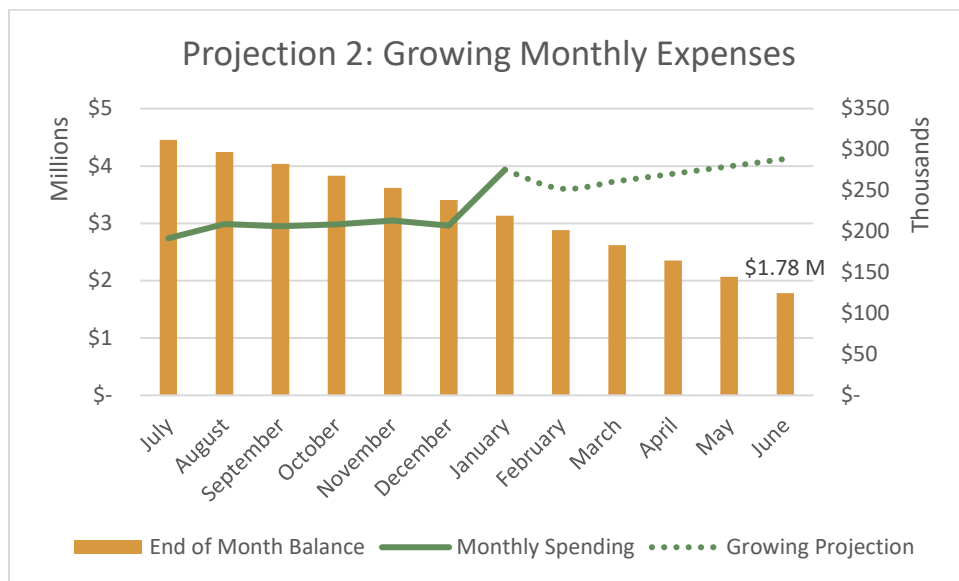


CBO projects that the bureau will end the fiscal year with somewhere between \$600,000 to \$700,000 of ongoing underspending, based on current hires and trends of current year EMS and Internal Materials and Services (IMS) spending. These are estimates based on patterns through the mid-point of the fiscal year, and final spending patterns could change depending on the bureau's ability to fill positions and execute external contracts for services. This estimate considers total underspending (the \$1.87 million and \$1.78 million figures below), less all appropriated one-time funds in the current year (\$1.18 million one-time). This relies on an assumption that all ongoing funds are spent before any one-time funds are spent to develop a conservative estimate. Certain projects that utilize one-time resources for true one-time purposes will also be part of the bureau's spending, contributing to an even greater ongoing underspending.



Projection 1 portrays an estimate of a linear spending rate in the bureau for the rest of the fiscal year.

Monthly spending for the rest of the fiscal year is calculated by adding average monthly IMS and EMS spending from July to January, and by continuing personnel spending from January to account for new hires.

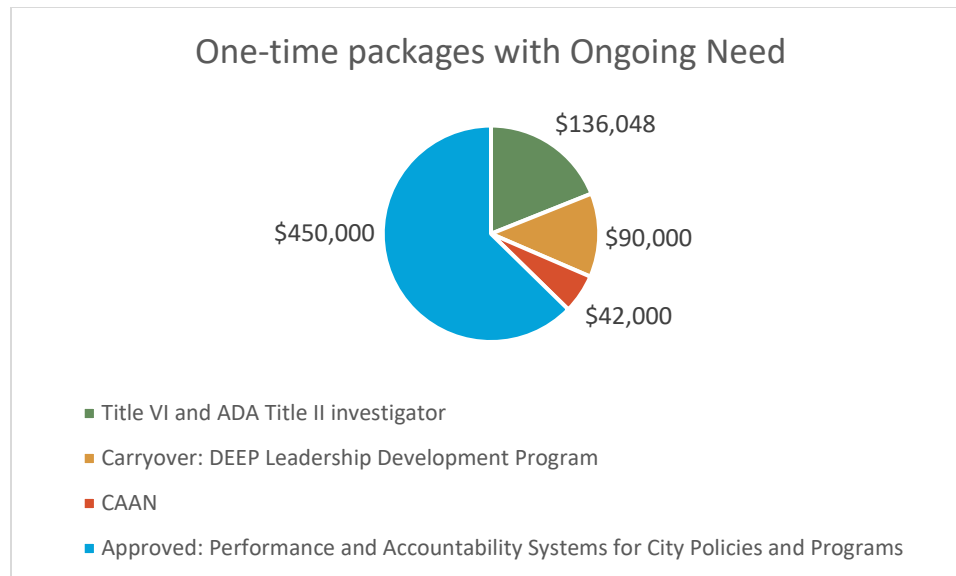


Projection 2 portrays an estimate of linear growth in spending in the bureau for the rest of the fiscal year. Under this scenario, the bureau would have to continue spending a greater amount than the previous month. This projection assumes that the increased spending in January is an outlier for the fiscal year.

The increase in spending January is due to hiring of 2.0 regular FTE and 1.0 limited term FTE and consulting fees for Results-Based Accountability™ training. Increased personnel cost is incorporated in the projections due to these hirings.

## Financial Cliff Due to Programmatic Reliance on One-time Only Funds

As mentioned earlier, the Office of Equity received \$1.2 million of one-time General Fund resources in the current fiscal year, consisting of both carryover funding for truly one-time projects, as well as projects that present an ongoing need. Packages that represent truly one-time needs make up \$598,800 of this amount, with the remaining \$718,048 representing packages with ongoing need.



Most of this amount is for two packages that respond to federal mandates and citywide process improvement, respectively: “Title VI & ADA Title II Investigator” (\$136,048 for 1.0 limited term position) and “Performance and Accountability Systems for City Policies” (\$450,000, including \$386,457 for 3.0 limited term positions). Both projects have not started but are meant to address critical needs for the city. The Title VI & ADA Title II Investigator is intended to train staff on how to conduct a civil rights investigation in accordance with federal regulations, helping the City ensure compliance with federal mandates. In previous analysis, CBO has recommended the Office of Equity design an interagency agreement to fund the Title VI & ADA Title II Investigator on an ongoing capacity. The Performance and Accountability Systems for City Policies package is intended to help establish performance and accountability systems for city policies. The Office of Equity will work with Citywide bureaus to identify systems and policies while it develops a roadmap for implementing this work. This may include the scaling of American Rescue Plan data, ongoing development of Racial Equity Plans, equity outcomes/indicators, and Civil Rights Title VI standards and tools.

The remainder of the potential ongoing liability is from packages meant to support Affinity Groups, and the City African American Network (CAAN) specifically. The one-time allocation for these two packages totals \$132,000, \$90,000 of which is designated to establish the DEEP Leadership Development Program, with the rest general support for CAAN. These appropriations were originally made in the Fiscal Year 2021-22 with the remainder carried over into the current fiscal year, with their balances slowly drawn down. These programs have had difficulty expending resources as the de facto program managers are volunteers with primary work duties within their home bureaus. The ongoing need is uncertain in a dollar amount, but the original \$50,000 CAAN appropriation was drawn down by \$8,000 in Fiscal Year 2021-22 and \$37,000 of the remaining \$42,000 has been spent in the current year. The DEEP Leadership Development Program likely has upfront costs that can be funded with one-time appropriation, with indirect ongoing costs arising from the continued devotion of staff time to the Leadership Development Program after implementation.

It is unclear how much of these ongoing costs for Affinity Groups are already budgeted in the bureaus base budget, and how much of it should be part of a base budget allocation. Consistent underspending, beginning in Fiscal Year 2020-21, the first full fiscal year effected by the COVID-19 pandemic, has left uncertainties in the Office of Equity budget and whether certain one-time projects with likely ongoing need can be budgeted using existing ongoing resources.

**CBO recommends the bureau determine exactly how much ongoing need is represented by these packages to better inform future allocation decisions and how these costs may be funded. Further, CBO recommends that the Office of Equity prioritize their base budget allocations and determine how much is truly needed to support each program, including those with ongoing allocations, while prioritizing critical city needs, legal mandates, and achieving equity.**

## DECISION PACKAGE ANALYSIS

The Office of Equity has no decision packages for consideration.

# SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

## Office of Equity & Human Rights

		2022-23 Adopted Budget	2023-24 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Intergovernmental	\$119,096	\$148,582	\$0	\$0	\$148,582
	Interagency Revenue	\$75,915	\$0	\$0	\$0	\$0
	General Fund Overhead	\$2,059,514	\$2,124,834	\$0	\$0	\$2,124,834
	General Fund Discretionary	\$2,583,902	\$1,364,653	\$0	\$0	\$1,364,653
	Charges for Services	\$5,000	\$0	\$0	\$0	\$0
<b>Revenue</b>	<b>Sum:</b>	<b>\$4,843,427</b>	<b>\$3,638,069</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,638,069</b>
Expense	Personnel	\$3,406,429	\$2,964,786	\$0	\$0	\$2,964,786
	Internal Materials and Services	\$306,151	\$301,529	\$0	\$0	\$301,529
	External Materials and Services	\$1,130,847	\$371,754	\$0	\$0	\$371,754
<b>Expense</b>	<b>Sum:</b>	<b>\$4,843,427</b>	<b>\$3,638,069</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,638,069</b>