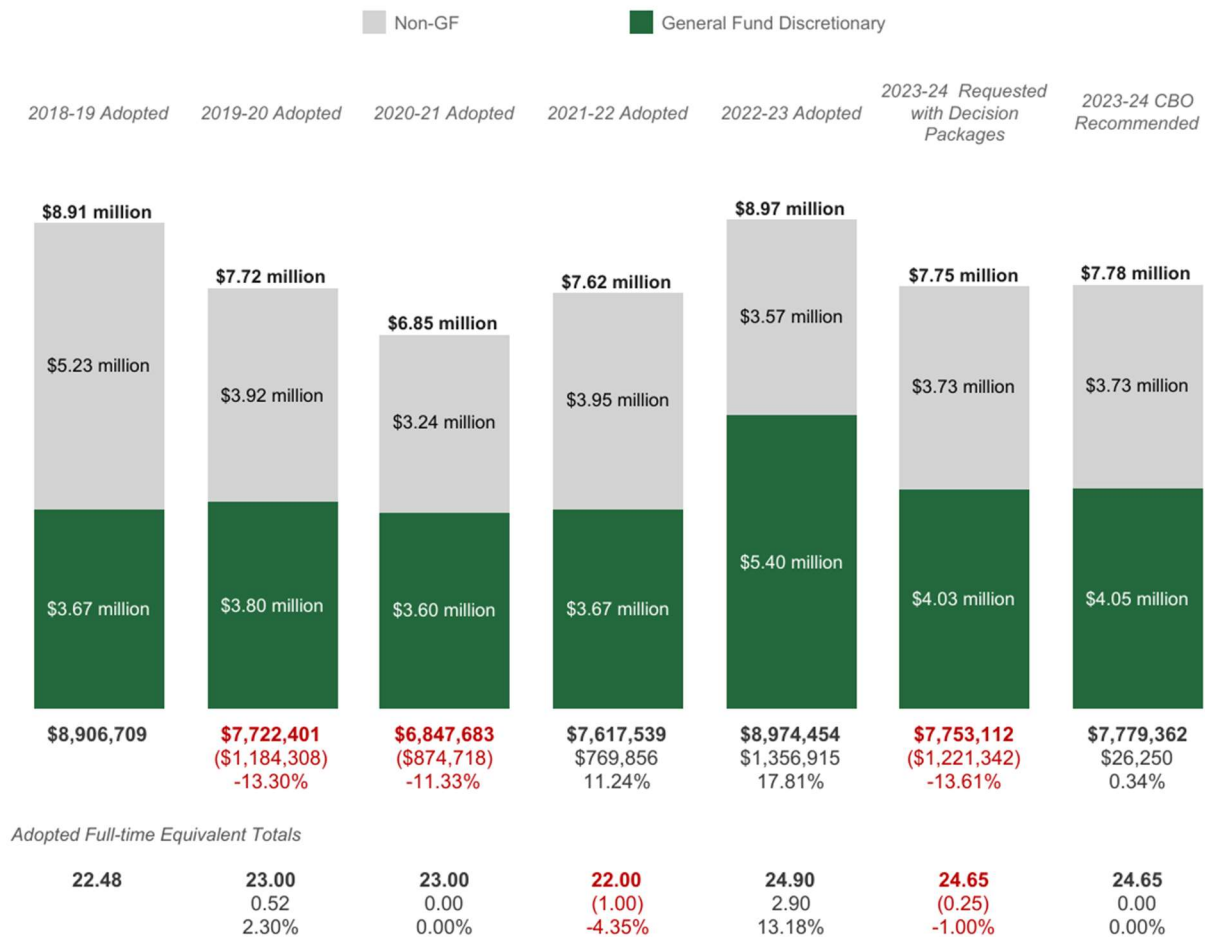




Portland Bureau of Emergency Management

Adopted Budget Revenues | 5-Year Lookback



EXECUTIVE SUMMARY

The FY 2023-24 Requested Budget for the Portland Bureau of Emergency Management (PBEM), inclusive of one submitted decision packages, is \$7.78 million with 24.65 FTE. This represents a decline of 34% and 3.25 FTE as compared to the FY 2022-23 Revised. The bureau's FY 2022-23 Revised Budget includes \$1.60 million of one-time resources that will expire by June 30, 2023.

PBEM has submitted one net-zero realignment decision package for consideration. The bureau, in conjunction with direction from the Office of Management and Finance's Community Safety Division (OMF-CSD), has submitted a realignment decision package to reduce ongoing General Fund resources and associated expenses in PBEM's annual operating budget. This reduction will be recognized in OMF-CSD's budget as resources to support the salary and support for the CSD Director. Previously, the Director was supported by \$26,250 in ongoing interagency resources, and so this new arrangement would allow better adherence to FIN 2.04¹. As the CSD is funded by General Fund Discretionary, and not overhead resources, the CBO also recommends the overhead portion of this package be converted to discretionary resources in accordance with FIN 2.08². (CBO Recommends)

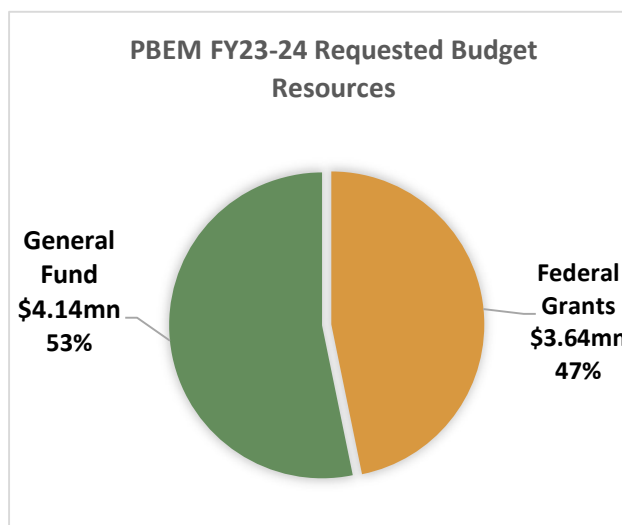
The bureau's budget submission does not include resources for programs currently supported by one-time resources to continue into FY 2023-24. These resources consist of one-time federal American Rescue Plan Act (ARPA) funds and one-time General Fund resources.

The eventual expiration of ongoing funds and an increasing number of emergencies without an increase in staffing resources has led to the prioritization of emergency response programs and a reduction in community outreach.

BASE BUDGET & ISSUES

Grant-General Fund Ratio is Relatively Stable

The overall ratio of grants to General Fund support for PBEM has remained relatively consistent over past four years, with modest fluctuations between 45-49% of resources derived from grants. CBO has highlighted³ (FY 2021-22 pg. 4) the risk associated with reliance on grant resources for operations, specifically where the grants support larger expenses (for example- costs of operating the City's Emergency Coordination Center). Over time funding from grants has proven more stable than other grant-funded programs at the City, and after nearly 20 years of relatively consistent resource receipt, the funds may be characterized as more reliable for PBEM. The Mitigation Program General Fund included in the FY 2022-23 Adopted Budget will further help maintain stability, allowing for new grants to be found in the case of General Fund or grant reductions.



Many grants received and managed by PBEM are pass-through, where the City is the regional hub and passes the resources to other local governments and partner agencies. This includes \$2.9 million in Urban Area Security Initiative (UASI) funding between FY 2019-20 and FY 2021-22. This resource has flowed through the City to projects proposed by bureaus including PBEM, Police Bureau, Fire Bureau, Water Bureau, and Portland Bureau of Transportation.

¹ <https://www.portland.gov/policies/finance/comprehensive-financial-management-policies/fin-204-budget>

² <https://www.portland.gov/policies/finance/comprehensive-financial-management-policies/fin-208-cost-allocation>

³ <https://www.portland.gov/cbo/2021-2022-budget/documents/2021-2022-budget-cbo-review-emergency-management/download>

Current Year Financial Position

Between the FY 2022-23 Revised Budget and the FY 2023-24 Requested Budget, PBEM is experiencing an approximately \$4.03 million reduction (34%) but no change in regular FTE. This is partially due to the expiration of ARPA funding and limited term FTE in Community Programs for Community Organizations Active in Disaster (COAD) and Neighborhood Emergency Team (NET) support. With the expiration of the funding and associated positions, PBEM will lose the ability to influence COAD's work that directly supports PBEM's mission. The bureau does have internal vacancies at present, approximately 30% (6.75 FTE) of current authorized positions in the current fiscal year. From a historical perspective, the bureau had 20% (or 5.0 FTE) vacant last year at this time.

Emergency Operations: Coordination or Community

PBEM's Emergency Operations division has been tasked with coordinating emergency management responsibilities dispersed in other bureaus, but staffing and resources have not increased accordingly; as such, the capacity for training, emergency response planning, and preparedness activities has decreased. To compensate, two limited-term emergency weather support coordinators have been hired, one funded by ARPA grants and the other General Fund utilizing a one-time General Fund decision package, which will be requested in the Spring BMP as a carryover to continue into FY 2023-24. The positions started in February 2023. A planning and Mitigation manager position was authorized in fall 2022 by reallocating existing funds from external planning and services. One-time carryover resources are anticipated to be used to support the continued development of an all-hazards mitigation program and disability equity planning. As with prior recommendations, and in accordance with City Financial Policy⁴, PBEM should be clear in the expectations that these positions and associated work are funded with one-time resources and the program will eventually sunset without internal reallocation or identification of new funding streams.

Recognition of Changing Services Over Time

PBEM's central core service is to serve as the regional planning and coordination bureau for the City as part of its disaster preparedness. The bureau fosters a culture of resiliency, for both City bureaus and the community served by the City. These services are provided through the City's General Fund, however PBEM is somewhat unique in that its programs are considered to be included in the City's cost pool for General Fund Overhead, where 100% of the program's costs are resourced by a split of General Fund discretionary and General Fund overhead resources. Recently, the General Fund Overhead Committee reviewed programs in the City's Cost pool and recommended the removal of the Community Programs from the Cost Pool. As such, PBEM will be required to track and report cost pool expenses, and General Fund discretionary expenses in accordance with FIN. 2.08. This change in resource allocation represents the value of providing community programs, while also recognizing the appropriate resources to pay for these programs at the City.

City Financial Policies govern what is considered an overhead cost pool function, primarily the following criteria for FIN 2.08.02:

- The service is a benefit to all City Bureaus
- The service provides an oversight or regulatory function for City Bureaus
- The service exists within the General Fund
- If the bureau demand for a service is difficult to predict from one fiscal year to the next

⁴ <https://www.portland.gov/policies/finance/comprehensive-financial-management-policies/fin-208-cost-allocation>

- If the cost of a service is difficult to charge to customer bureaus through a rate times unit model

Other programmatic changes include shifts of internal resource to recognize the loss of capacity for training, emergency response planning, and preparedness activities. These have decreased over the last three years due to their utilization to mitigate the effects of climate change, the pandemic, and the housing crisis. Emergency Operations has been tasked with coordinating emergency management responsibilities dispersed in other bureaus, but staffing and resources have not increased accordingly.

DECISION PACKAGE ANALYSIS

CSD Director Funding Realignment

- 14838 CSD Director Funding Realignment: (\$26,250), 0.00 FTE

Request Summary

PBEM requests a realignment of funds to provide funding for the regular director position, which allows for better adherence to FIN 2.04. (CBO Recommends)

CBO Analysis

This request was originally made in the Fall BMP of FY 2022-23 – CSD director funding. It aims to provide ongoing General Fund resources for a regular position, where previously it was funded with interagency funds. This realignment decision package will lower PBEM's General Fund Discretionary and Overhead resource and associated expenses by \$26,250. The Community Safety Division in OMF will recognize an increase in the resource and allocate the funding to support the Director position. This will remove the use of interagency resources and instead balance expenses with discretionary sources. If approved by Council, CBO also recommends converting the overhead portion to 100% discretionary resources in the Community Safety Division in OMF as this program is not in the City's General Fund Overhead cost allocation model, but PBEM is in the allocation mode. The reduction of \$26,250 does reduce ongoing flexibility in PBEM's budget; however, the bureau has underspent its ongoing resources for the past several years by significantly more than this amount.

CBO Recommendation: (\$26,250), General Fund discretionary revenues | 0.00 FTE

FIVE YEAR FINANCIAL PLANS

PBEM's five-year financial plan is based around three factors: (1) revenue assumptions, (2) expenditure assumptions, and (3) confidence level. The revenue assumptions are a current appropriation level of service, with the annual expense costs escalated by City Economist-provided factors, do not account for potential future savings from the development of the Community Safety Division, and assume interagency and intergovernmental cost sharing revenues will be consistent with current resources and growth in subsequent years. The expenditures forecast is based on the same economic inputs as the revenue assumptions and is a straight-line escalation of the FY 2023-24 plan. Finally, the confidence level for the forecast is low due to the uncertainty of both General Fund resources and PBEM's reliance on grant resources to support operations.

SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

Portland Bureau of Emergency Management

		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	\$3,484,693	\$3,637,824	\$0	\$0	\$3,637,824
	Interagency Revenue	\$86,416	\$88,310	\$0	\$0	\$88,310
	General Fund Overhead	\$2,941,217	\$1,905,762	(\$15,191)	\$0	\$1,890,571
	General Fund Discretionary	\$2,462,128	\$2,147,466	(\$11,059)	\$0	\$2,136,407
Revenue	Sum:	\$8,974,454	\$7,779,362	(\$26,250)	\$0	\$7,753,112
Expense	Personnel	\$3,851,775	\$4,273,758	\$0	\$0	\$4,273,758
	Internal Materials and Services	\$1,095,184	\$1,043,549	\$0	\$0	\$1,043,549
	External Materials and Services	\$4,027,495	\$2,462,055	(\$26,250)	\$0	\$2,435,805
Expense	Sum:	\$8,974,454	\$7,779,362	(\$26,250)	\$0	\$7,753,112