

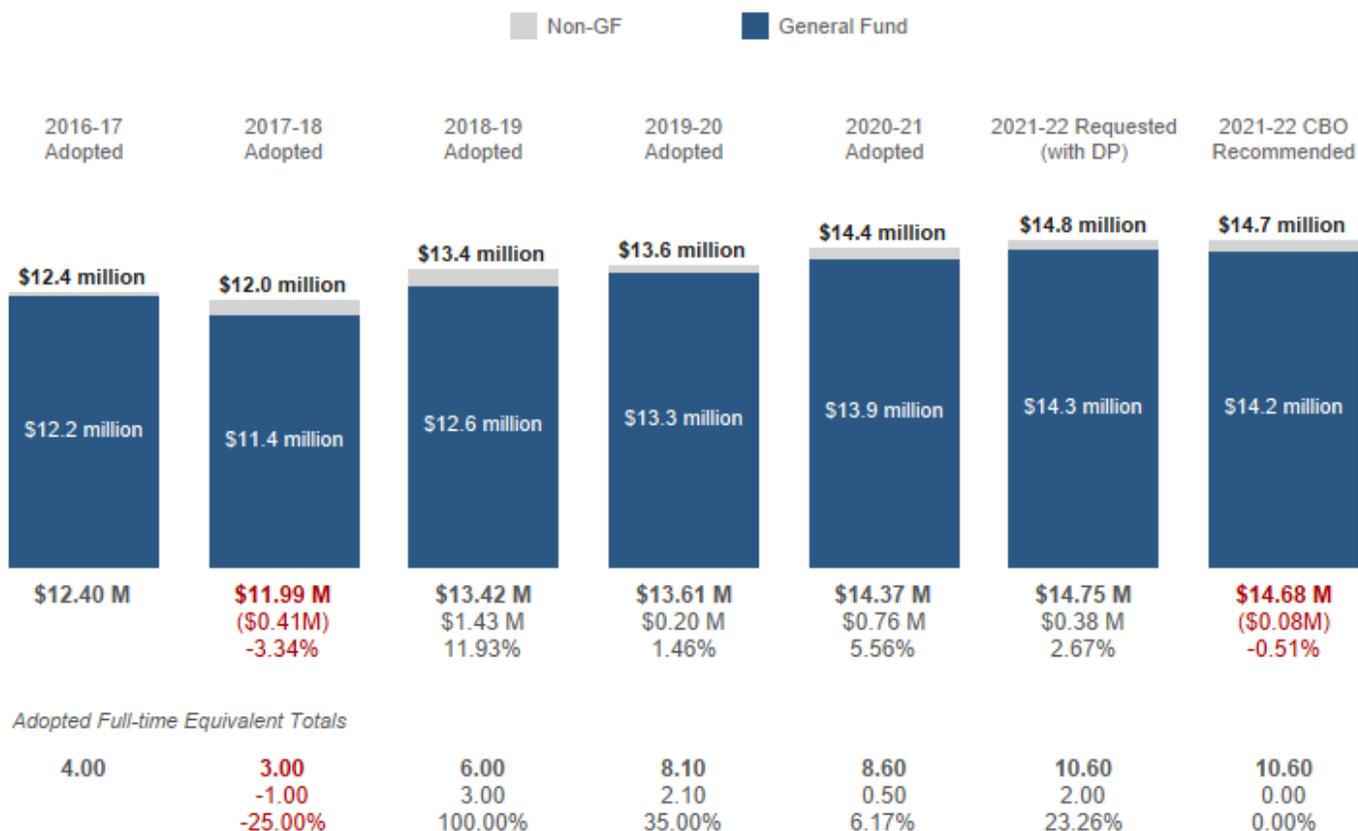


**City  
Budget  
Office**

# Special Appropriations

Analysis by Angela Butel and Katie Shifley

## Adopted Budget Revenues | 5-Year Lookback



## INTRODUCTION

Special Appropriations are allocations that serve a specific purpose that either does not naturally fit into an existing bureau’s operations or which requires multi-bureau coordination. The FY 2021-22 Special Appropriations Requested Budget totals \$14.8 million, including \$14.3 million in General Fund resources. CBO’s prior-year analyses<sup>1</sup> of challenges with capacity and accountability for these allocations remain relevant and are discussed in more detail in the Base Budget section below, along with a discussion of changes affecting the Open and Accountable Elections program.

<sup>1</sup> City Budget Office, FY 2019-20 Special Appropriations Budget Review. <https://www.portlandoregon.gov/cbo/article/714561>

The Special Appropriations Requested Budget includes a number of requests for new or restored resources, analyzed in greater detail below. CBO’s review:

- Recognizes the 5% General Fund reduction as required by the Mayor’s Budget guidance.
- Does not recommend adding back the 5% reduction for Future Connect and Cash Oregon.
- Recommends adding back the 5% reduction for the Mt. Hood Cable Regulatory Commission.
- Recommends \$171,429 in new General Fund one-time resources to support baseline operations for Peninsula Drainage District #1.
- Partially recommends a request for \$496,000 to continue the work of the Charter Commission through FY 2021-22.
- Does not recommend expansion of ongoing resources for the Portland Rose Festival.

## BASE BUDGET & KEY ISSUES

### Significant Growth, Limited Capacity

As noted in CBO’s FY 2020-21 budget review, the number and dollar amount of allocations housed under Special Appropriations has grown significantly in recent years.<sup>2</sup> As shown above, Special Appropriations’ FY 2020-21 Adopted Budget (not including the Citywide emergency response budget) is \$14.4 million, 16% higher than the FY 2016-17 Adopted Budget. As the City has moved away from a policy of not appropriating FTE in Special Appropriations, the number of FTE has risen from 4.0 FTE in FY 2016-17 to 10.6 FTE in the FY 2021-22 Requested Budget.

The significance of this expansion is that, while Special Appropriations now has the seventh-highest General Fund allocation in the City and a number of FTE quickly approaching that of the Office for Community Technology or the Office of Government Relations, it does not operate like a bureau in terms of having a unified vision, goal-setting, or evaluation of impact. The Grants Management Division of the Office of Management and Finance (OMF) manages the Special Appropriations budget, but also carries out other key functions including Citywide regulatory compliance of all incoming federal, state, and private grants and oversight of intergovernmental agreements. The result is that a significant amount of City resources are going out the door to community organizations with primary oversight from a team that is simultaneously juggling multiple other high-level priorities. This poses a challenge for ensuring program accountability for delivery of services in the community.

The Grants Management Division has taken steps in recent years to improve accountability and oversight for Special Appropriations expenditures. A 2016 audit of Special Appropriations led to multiple process improvements, including establishment of standardized reporting on grant outcomes. In FY 2019-20, Grants Management established a 2% administrative charge as part of each appropriation to add an additional FTE to support this work. The team has also been

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<sup>2</sup> City Budget Office, FY 2020-21 Special Appropriations Budget Review. <https://www.portlandoregon.gov/cbo/article/754862>

working to launch a new grants management software tool to allow for more detailed tracking and reporting on outgoing City grants. After a lengthy RFP process, this system is now ready for use and will be used for equity reporting on the City's CARES allocations. The next step is development of Citywide policies for all City bureaus to use the grants management system for outgoing grants; Grants Management hopes to complete this work in FY 2021-22.

However, challenges remain to rigorous oversight of Special Appropriations. This issue is even more urgent as Grants Management has been managing the Citywide emergency response budget since March 2020, adding tens of millions of dollars and a swath of Federal and FEMA requirements to the team's portfolio. The need to reprioritize resources in response to the public health crisis led Grants Management to pause on an effort begun in FY 2019-20 to create performance measures for Special Appropriations. This is highly reasonable given the incredible amount of work managed by Grants Management. At the same time, it is an example of how capacity constraints—both in terms of staff capacity and access to software such as the grants management system—make it difficult to employ the City's tools of transparency and accountability, such as consistent data tracking, reporting on performance measures, and the Budget Equity Tool, to ensure that these appropriations have the intended impacts.

CBO's FY 2019-20 budget review noted that due to recent growth, Special Appropriations now includes "complete City programs that are not claimed by any bureau. This creates confusion about accountability and who, precisely, is responsible for success of the program, as well as how resources put towards these programs are considered against other potential uses in the City."<sup>3</sup> This sentiment remains true for the FY 2021-22 Requested Budget. CBO recommends that City Council use this budget development cycle to take stock of the efforts currently funded through Special Appropriations and whether this remains the most effective mechanism for all of them.

## Categories of Current Appropriations

The City uses Special Appropriations to accomplish multiple types of goals. CBO's FY 2020-21 budget review separated the appropriations into "required" and discretionary categories.<sup>4</sup> "Required" appropriations are governed by a federal, intergovernmental, or union agreement or required by City code. In the FY 2021-22 Requested Budget, required appropriations represent \$4.1 million, or 28%, of the Special Appropriations requested budget.<sup>5</sup> Because these costs are governed by specific agreements and do not fit squarely into any bureau, the practice of using Special Appropriations may be an appropriate mechanism for making these annual payments.

Discretionary appropriations could be further separated into two categories, the first being community grants. This would include the City's annual allocations to nonprofit community

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<sup>3</sup> City Budget Office, FY 2019-20 Special Appropriations Budget Review, page 3.

<https://www.portlandoregon.gov/cbo/article/714561>

<sup>4</sup> City Budget Office, FY 2020-21 Special Appropriations Budget Review, pages 2-3.

<https://www.portlandoregon.gov/cbo/article/754862>

<sup>5</sup> Required appropriations include COCL/PCCEP, required as part of the City's settlement with the federal Department of Justice; the City's portion of support for the regional Mt. Hood Cable Regulatory Commission; intergovernmental agreements with Multnomah County for the Gateway Center and with Metro for the Portland's venues; funding for professional development agreements with several City bargaining units; and several small appropriations required by City charter.

organizations like Future Connect, All Hands Raised, Cash Oregon, Village Market, and VOZ Workers Rights, and City support for community events such as Last Thursday and the Rose Festival. A look at these allocations over time shows that they have tended to increase steadily with inflation from year to year without other significant changes.

<b>Select Special Appropriations Programs - Percent Change in Budget</b>				
Program	FY 2016-17 to FY 2017-18	FY 2017-18 to FY 2018-19	FY 2018-19 to FY 2019-20	FY 2019-20 to FY 2020-21
All Hands Raised	2.6%	3.1%	2.4%	-0.1%
Future Connect	2.6%	3.1%	2.4%	-0.1%
MFS/Cash Oregon	2.6%	3.1%	2.4%	2.8%
Village Market	2.6%	3.1%	2.4%	-0.1%
VOZ	NA	3.1%	2.4%	2.8%
Last Thursday	276%	-72%	2.4%	-6.5%

This suggests two things: first, that the goals of these organizations—inclusive educational opportunities, civic engagement, economic opportunity, food security—have consistently been priorities to City Council over time. Second, that these allocations have continued year to year without consistent revisiting of desired outcomes and consideration of the appropriate funding level to accomplish them. Indeed, the fact that many of these organizations propose to absorb the FY 2021-22 required 5% reduction with no impact to service levels begs the question of what the optimal level of funding would be to accomplish Council objectives in these areas.

The 2016 audit recommended using a competitive grants process to achieve specific objectives rather than automatically funding the same organizations each year. Since then, Special Appropriations has done several rounds of competitive grants, but many of the organizations discussed above have simultaneously continued to receive ongoing funding. If the current Council agrees on these issue areas as priorities for City support, now may be an opportune time to redefine desired outcomes in each area and solicit creative community ideas through a more holistic competitive grants process. CBO further notes that while Special Appropriations has developed a competitive grants process, many bureaus, including the Office for Community and Civic Life and the Children’s Levy, also conduct competitive community grant processes to disperse City resources. CBO recommends that Council consider whether bolstering resources for existing grant processes might be more efficient than establishing a separate process.

The final category of Special Appropriations is those that operate more like City programs. These are, for the most part, the appropriations with City staff: the City Arts Program, the Office of Open and Accountable Elections (OAE), East Portland Action Plan (EPAP), and the Office of Violence Prevention (OVP). As mentioned above, Special Appropriations’ total FTE brings it nearly to the size of some of the City’s smaller stand-alone bureaus; however, in practice, these staff do not function as one unit but as several small, individual teams embedded in different offices across the City. This can lead to operational challenges and inefficiencies; for example, at the beginning of FY 2020-21 OVP wanted to double-fill the position of a retiring manager to make sure the new hire had time to be onboarded. However, because OVP’s budget is limited to just

the program, rather than housed within a broader bureau budget, they did not have the flexibility to cover the relatively minor cost without requesting additional funding.

All of these programs were created recently or have evolved significantly in recent years. Special Appropriations may be a reasonable place for limited-duration staffed programs like the Charter Commission, or as a temporary home for an emerging program until it is clear where in the City it should fit. If City Council has recognized a program as core enough to City operations to make it ongoing and staff it with City employees, eventually it should fit into the supportive structure and accountability mechanisms of City bureaus. CBO recommends that City Council consider finding bureau homes for some or all of the ongoing staffed Special Appropriations programs.

## Open and Accountable Elections Program

The Open and Accountable Elections Program (OAE) was initially created by Council ordinance in 2016, with goals of using public campaign financing to broaden participation in local elections and to reduce actual and perceived corruption in government. By limiting the size of contributions that participating campaigns can accept and by matching small donations, the program seeks to ensure that participating candidates can raise enough money to win election without collecting large contributions. This in turn ensures that elected candidates are acting in the best interests of the community rather than in the interests of wealthy campaign donors. Currently, the program is funded by an annual General Fund transfer in an amount not to exceed 0.02% of the City's General Fund (approximately \$1.3 million in both FY 2020-21 and FY 2021-22).

2020 was the first year in which the campaign financing system was operational, with many candidates participating in the program for the May 2020 primary election, August 2020 special election, and November 2020 general election. In this first election cycle, the program sought to encourage broad participation among candidates for office and to gather baseline data to inform program adjustments for future cycles. The program notes that seven out of eight runoff candidates, and 75% of winning candidates, were participants in the program—a successful outcome for the participation goal.

The [data dashboard](#) that OAE has made publicly available on its website<sup>6</sup> reveals some early insights about the impact of the program. Donations to participating campaigns came from donors dispersed across all neighborhoods of Portland and more than 90% of donations to participating campaigns came from individuals as opposed to from political committees, businesses, or other sources. Participating campaigns had a median campaign contribution of \$30 across all participating campaigns. In 2020, participating candidates raised a total of \$1.4 million and received a total of \$2.9 million in matching General Fund resources from the City.

Several recent decisions may significantly impact OAE's next steps. One is an April 2020 Oregon Supreme Court ruling which upheld a \$500 campaign contribution limit approved by Multnomah County voters in 2018. The Portland City Auditor's Office began enforcing this limit starting on May 4, 2020. OAE anticipates that this ruling will significantly increase participation in the program, because by adhering to the \$250 contribution limit and getting a \$300 City match,

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<sup>6</sup> The dashboard is available here: <https://openelectionsportland.org/>

candidates can raise more money by participating in OAE than by simply adhering to the \$500 contribution limit. Initially the program estimated that 30-50% of eligible candidates would choose not to participate, but the program now expects that every candidate who qualifies will participate in light of this financial incentive. While the 2020 election cycle was somewhat unusual given the pandemic and the addition of the August special election, OAE estimates that if all eligible candidates had participated in the program in 2020, program costs would have been 50% higher than they were. As such, the Open and Accountable Elections Commission has put forward a recommendation to increase funding in future cycles to 0.03% of the General Fund.

Although the Oregon Supreme Court has upheld the \$500 campaign limit for now, another challenge is making its way through the courts which holds that the limit is unconstitutional as applied to the specific campaign finance climate in Portland. OAE anticipates that it may take years to fully resolve all legal challenges to the limit and eliminate the possibility that the courts may suspend it again. Separately, in November 2020 voters amended the state constitution to explicitly authorize the state legislature and local governments to limit political contributions and expenditures. Though this does not make immediate changes, it opens the door to future statewide legislation around campaign spending that could interact with OAE's requirements.

The OAE Commission is currently reviewing data from 2020 to report back to City Council by spring 2021 with recommendations for future election cycles. In light of the multiple moving parts noted above, Council's conversations with the Commission in coming years will be crucial for tracking how the program fits into the shifting campaign finance landscape. In these conversations, CBO recommends that Council continue asking how the City's investment in OAE can best accomplish the goals the program set out to achieve. Though this may not be a question that can be resolved in the immediate term, given the ongoing legal challenges to the county-level contribution limit, it is an important question for continued assessment of what structure and funding level will allow the program to complement rather than duplicate the impacts of other local efforts at campaign finance reform.

## DECISION PACKAGES

### Special Appropriations 5% Reduction Package

*11357, (\$368,987), 0.00 FTE*

#### Request Summary

The Special Appropriations 5% reduction is composed of 5% reductions to many of the individual ongoing Special Appropriations allocations. A number of appropriations were exempted from making reductions. Three programs have requested add-backs; the remaining programs have proposed to absorb the reduction while maintaining similar levels of service in FY 2021-22.

#### CBO Analysis

This reduction package includes 5% reductions to the following ongoing special appropriations programs: the Black Youth Leadership Initiative, Rose Festival, City Memberships & Dues, All Hands Raised, Clean & Safe District, City Arts Program/Regional Arts & Culture Council, Future

Connect, Cash Oregon Free Tax Help, Mt. Hood Cable Regulatory Commission, Title 13, Citizen Utility Board Bill Insert, Last Thursday, Village Market, and VOZ Workers' Rights Education Project. The remaining ongoing programs were exempted either because their funding levels are set by existing contracts or by Mayoral direction for a handful of programs that fell within the Mayor's exemption of City offices with fewer than 30 employees.

Many of these programs have indicated that they will be able to absorb the 5% reduction with minimal or no impacts to their level of service. Three programs—Future Connect, Cash Oregon, and Mt. Hood Cable Regulatory Commission—have submitted add-back requests, which will be discussed under those decision packages below.

**Total Constraint: (\$368,987) ongoing | 0.00 FTE**

## **PCC Future Connect 5% Add Back Request**

*11360, \$31,150, 0.00 FTE*

### **Request Summary**

This request would add back the \$31,150 required reduction to the Portland Community College (PCC) Future Connect Program, which supports low-income and first-generation college students in Portland in accessing and succeeding in higher education. These resources would allow Future Connect to move forward with the planned hiring of a part-time outreach position focused on increasing outreach and support to Black and African American high school seniors.

### **CBO Analysis**

Future Connect supports low-income and first-generation college students with their college enrollment and applications for financial aid in an effort to increase their success rate in pursuing higher education. Support for students begins in high school, and the program then connects incoming college students with a success coach to help them navigate their college experience and provides scholarship support to reduce financial barriers to completing higher education.

Future Connect has noted a disparity in college enrollment rates for Black and African American students in their programs. To address this gap, Future Connect hopes to add 0.5 FTE to its existing 1.0 FTE outreach team to provide focused support for Black and African American students. The request for \$31,150 in General Fund resources represents 100% of the cost of this half-time position.

The program's ability to prioritize this additional outreach support within existing resources is limited because of how the program has pivoted in response to COVID-19. With the start of the pandemic, the program saw a dramatic increase in students seeking benefits such as SNAP and TANF. To support this need, the program added a SNAP navigator, who has to date assisted 48 students with enrolling in SNAP and other benefits. Though this position is partially funded by additional grant resources, Future Connect reprioritized some existing funding, shifting its original plan of adding 1.0 FTE for outreach to the current proposal of a part-time position.

The program's current 1.0 FTE outreach position prioritizes connecting with BIPOC students in a

variety of ways, particularly through relationships with community organizations and with high school staff members. The program notes that the current outreach person is already operating at maximum capacity coordinating all outreach work across the city and county, including coordinating hundreds of (now virtual) high school visits, building relationships with organizations and high school staff, and coordinating communications with incoming students to ensure they follow through on various deadlines. The program envisions the new 0.5 FTE position developing a peer network of current Future Connect students to participate in outreach; increasing partnerships with local African American media outlets; and increasing outreach to faith-based and other community organizations.

This is a well-developed request that data indicates could have positive equity impacts for Black and African American students in Portland. Under the Federal American Recovery Plan's current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution are anticipated to be finalized this Spring. Federal stimulus resources would be one-time, whereas this request is for ongoing resources. CBO has prioritized core City services in our recommendations and does not recommend General Fund support for this proposal; however, Council could consider allocating American Rescue Plan resources to expand support for this work in FY 2021-22 once the rules and funding are finalized.

**CBO Recommendation: \$0 ongoing | \$0 one-time | 0.00 FTE**

## **MFS-Cash Oregon Free Tax Help 5% Add Back Request**

*11385, \$4,384, 0.00 FTE*

### **Request Summary**

This request would add back the \$4,384 required reduction for the MFS-Cash Oregon program, which provides free tax preparation assistance to low-income Portlanders. These resources would allow the program to provide tax preparation services to more clients in FY 2021-22.

### **CBO Analysis**

MFS-Cash Oregon provides tax preparation assistance using a largely volunteer-driven model. Paid client facilitators help coordinate the process, checking clients in and helping them fill out intake paperwork, ensuring they have all necessary documents, ascertaining whether they need interpreter services, and then transferring clients to available volunteers. This reduction would mean Cash Oregon would need to decrease client facilitation by 266 hours during the 2022 tax season, leading to less efficient processes which in turn means fewer clients served.

During the current tax season, Cash Oregon has seen a significant increase in demand for tax preparation assistance. Call volume has increased beyond the program's capacity to keep up; the program estimates that it would need an additional 400 hours per week of volunteer or staff time to manage the increase. Because of the unusual circumstances brought on by the pandemic, many of these calls are more complicated than usual. Many people are filing taxes for the first time; others received the wrong amount of economic impact payment; and others have had income losses or received new benefits in the past year. Cash Oregon anticipates navigating

similarly high demand for services and complex tax situations in 2022.

Given the state of the economy, ensuring that more of Cash Oregon’s clients—whose average annual income is under \$31,000—receive the full benefits of tax returns and tax credits to which they are entitled is valuable work. Under the Federal American Recovery Plan’s current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution are anticipated to be finalized this Spring. Federal stimulus resources would be one-time, whereas this request is for ongoing resources. CBO has prioritized core City services in our recommendations and does not recommend General Fund support for this proposal; however, Council could consider allocating American Rescue Plan resources to expand support for this work in FY 2021-22 once the rules and funding are finalized.

**CBO Recommendation: \$0 ongoing | \$0 one-time | 0.00 FTE**

## Peninsula Drainage District #1 Add Request

*11417, \$171,429, 0.00 FTE*

### Request Summary

This request is for \$171,429 in new one-time General Fund resources to reduce the annual operating deficit for the Peninsula Drainage District #1 (PEN 1) and to cover the cost of a project to clean toe drains at the foot of the levee.

### CBO Analysis

PEN 1 is one of four drainage districts along the Columbia River Corridor that operate and maintain the flood protection infrastructure systems for the Portland International Raceway, Heron Lake Golf Course, Port of Portland’s Vanport Wetland, and Metro’s Portland Expo Center. This request is a part of a recent series of requests for City support to financially sustain PEN 1 until 2025, when the Urban Flood Safety and Water Quality District (UFSWQD) will be formed and take over financial responsibility for PEN 1 and the three other drainage districts.

The City has provided General Fund resources to support baseline operations of the district because, in the event of infrastructure failure or financial insolvency of the district, financial responsibility would likely fall to the City as the property owner. In addition, the district receives resources from the Bureau of Environmental Services, primarily for capital outlay needs as related to preserving environmental services. In prior analysis, CBO has recommended that Portland Parks & Recreation (Parks) support part of the district’s operating costs, as Heron Lake Golf Course and Portland International Raceway make up about 73% of the district and are primary beneficiaries of the flood prevention infrastructure system.<sup>7</sup> However, Portland Parks has maintained that the responsibility falls upon the City in the event of financial insolvency.

In the current year, the district’s operating deficit is about \$171,000, and the City provided PEN 1 with \$123,000 in General Fund resources for FY 2020-21, with PEN1 absorbing the difference

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<sup>7</sup> City Budget Office, FY 2020-21 Special Appropriations budget review, page 7.  
<https://www.portlandoregon.gov/cbo/article/754862>

within reserves. Due to loan reserve requirements, the district will retain roughly \$36,000 in discretionary reserves at the end of this year.

Of the current request, \$138,000 is to cover the district's full projected operating deficit for FY 2021-22. The remaining \$30,000 is to cover the cost of a project to clean toe drains at the foot of the levee. The district requested resources for this project in FY 2020-21; however, the City was not able to provide funding due to the dramatic decline in revenues with the onset of the COVID-19 crisis. Cleaning and inspection of the toe drains is required every five years by the U.S. Army Corps of Engineers. If the project is not complete by the time of the Corps inspection scheduled for 2022, the district risks losing enrollment in the Corps' Rehabilitation & Inspection Program, which is required for levee certification and federal assistance in case of a flood event.

Given the potential financial risk to the City of the district not remaining financially solvent, CBO recommends this request.

**CBO Recommendation: \$0 ongoing | \$171,429 one-time | 0.00 FTE**

## Charter Commission Months 6-18 Add Request

*11433, \$496,000, 0.00 FTE*

### Request Summary

This request is for \$496,000 in new one-time General Fund resources to support the work of the Charter Commission through FY 2021-22. These resources would support Charter Commission meetings as well as community education and engagement activities on charter review with a focus on communities historically left out of City Hall decision making.

### CBO Analysis

The City Charter requires that the City review its charter at least once every ten years. To accomplish this requirement, the City appoints a Charter Commission (the Commission) made up of community members representing a broad swath of the Portland community. This Commission identifies which portions of the charter to review in depth and recommends changes. Throughout the process, the Commission seeks feedback from the broader Portland community to inform the Commission's report to City Council summarizing its recommendations.

The City launched the current charter review process in FY 2020-21, supported by a team within OMF, and the work is expected to span through FY 2022-23. The Commission held its first public meeting in early February 2021 and will continue to meet with increasing frequency through the remainder of FY 2020-21.

The Charter Commission was allocated \$217,541 for FY 2020-21, and CBO's FY 2020-21 budget review recommended considering a similar amount for FY 2021-22.<sup>8</sup> The current request for second-year funding recognizes the significant costs of engaging in robust community engagement during the pandemic, as the City is not able to meet communities where they

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<sup>8</sup> City Budget Office, FY 2020-21 Special Appropriations budget review, page 5.  
<https://www.portlandoregon.gov/cbo/article/754862>

gather, community focus is on immediate needs, and inequities are exacerbated by COVID-19. The team plans to invest in City engagement and communications capacity and in contracts with community-based organizations to co-create education and engagement strategies and activities.

To successfully implement these strategies, OMF sees a need to add a dedicated community engagement position to the project team, as the type of relationship-building and engagement needed for this process is a distinct skillset not covered by current members of the team. OMF states that engagement around the charter review is different from much of the City's ongoing engagement efforts in the detailed education needed about the City's charter before even getting to community members' input on potential changes.

With the delay in appointing the Commission, current-year spending thus far has been primarily limited to stipends for the 20 Commissioners and startup administrative expenses; meeting-related and outreach costs only began recently. In the remainder of FY 2020-21, the team plans to establish a contract with a professional facilitator for Commission meetings, establish contracts with community-based organizations, bring on a limited-term Engagement and Communications Coordinator to coordinate outreach, and cover translation, interpretation, technology, and communications costs for Commission meetings. Costs included in the FY 2021-22 request include continuation of the coordinator position, contracts with community-based organizations, research, communications, meeting support, and stipends for Commissioners.

Based on anticipated current-year spending, the team projects some underspending within its FY 2020-21 allocation, due primarily to delayed hiring of the Engagement and Communications Coordinator. This underspending, estimated at \$40,000, could cover a portion of costs for FY 2021-22. Due to the later start to Commission meetings in the current year, the team also anticipates not fully expending current-year resources for meeting support; however, the Commission would plan to make up this work in FY 2021-22 rather than reducing the total number of planned meetings or outreach activities.

CBO's recommendation reflects the requested amount less the \$40,000 related to the delay in hiring for the engagement position, for which CBO recommends the team bring forward a Spring BMP program carryover request. Given the Citywide benefits of the Charter Commission process, CBO also recommends funding a portion (\$255,359) of the total amount through the General Fund Overhead Model, and the remainder (\$200,641) through General Fund Discretionary.

**CBO Recommendation: \$0 ongoing | \$456,000 one-time | 0.00 FTE**

## **MHCRC 5% Add Back Request**

*11441, \$16,597, 0.00 FTE*

### **Request Summary**

This request would add back the required \$16,597 reduction for the Mt. Hood Cable Regulatory Commission (MHCRC). These resources would support MHCRC's ongoing work to negotiate cable franchises with Comcast and Zply and continued litigation with the FCC on a ruling that puts local jurisdictions' franchise fees at risk.

## CBO Analysis

The City has a unique relationship with the Mt. Hood Cable Regulatory Commission (MHCRC). MHCRC is a distinct entity, but the support MHCRC receives annually via Special Appropriation is passed back to the City via intergovernmental revenues that support the Office for Community Technology (OCT). OCT provides staff support to the MHCRC, supporting the management of grant-making, cable franchise negotiations, and consumer protections.

MHCRC and OCT are in the midst of renegotiation of a franchise agreement with Comcast. A second negotiation with the company Ziplly is also anticipated during FY 2021-22. OCT's FY 2021-22 Requested Budget makes assumptions around the City's level of support to MHCRC. If these resources are not added back, fewer resources will be available in OCT's budget to support franchise negotiation activities. Given the overall complexity of the Comcast renegotiations and potential financial implications for City revenues, CBO recommends this request.

**CBO Recommendation: \$16,597 ongoing | \$0 one-time | 0.00 FTE**

## Ongoing Resources for the Rose Festival

*11458, \$54,500, 0.00 FTE*

### Request Summary

Per a FY 2020-21 budget note, CBO was directed to add this request for Council consideration, which would result in a total ongoing allocation of \$100,000 for the Portland Rose Festival.

### CBO Analysis

The Rose Festival is an annual parade and festival celebrating the spirit of the city of Portland. In 2010, City Council proclaimed it "Portland's Official Festival." In a typical year, an estimated 1 million visitors and residents attend festival activities. According to a 2012 Economic Impact Assessment conducted by the International Festivals & Events Association, in a typical year festival visitors contribute over \$65 million in economic impact to the city.

The City has provided some level of financial support for the festival in many years, beginning with \$19,650 in FY 2009-10. After a several-year hiatus, the City restored grant payments to the organization in FY 2016-17 in the amount of \$100,000. The City provided that same amount in one-time funding in both FY 2017-18 and FY 2018-19 to help cover festival costs. The festival was held virtually in the summer of 2020 due to the nature of the public health crisis from COVID-19.

The Rose Festival currently receives an annual allocation of \$50,000 in General Fund resources, which is being reduced to \$47,500 given the current guidance for 5% General Fund constraints. In a FY 2020-21 Budget Note, City Council directed CBO to "develop a proposal for \$100,000 in ongoing resources for Council to consider as part of the Fiscal Year 2021-2022 budget development process."

Due to limited available resources, CBO has prioritized core City services in our recommendations, and does not recommend this request.

**CBO Recommendation: \$0 ongoing | \$0 one-time | 0.00 FTE**

# SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

## Special Appropriations

		2020-21 Adopted Budget	2021-22 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Intergovernmental	\$130,871	\$130,871	\$0	\$0	\$130,871
	Interagency Revenue	\$351,733	\$353,145	\$0	\$0	\$353,145
	General Fund Overhead	\$185,877	\$200,935	\$0	\$255,359	\$456,294
	General Fund Discretionary	\$12,421,164	\$12,074,156	\$350,573	(\$330,893)	\$12,093,836
	Fund Transfers - Revenue	\$1,281,046	\$1,644,073	\$0	\$0	\$1,644,073
<b>Revenue</b>	<b>Sum:</b>	<b>\$14,370,691</b>	<b>\$14,403,180</b>	<b>\$350,573</b>	<b>(\$75,534)</b>	<b>\$14,678,219</b>
Expense	Personnel	\$1,166,388	\$1,471,524	\$0	\$0	\$1,471,524
	Internal Materials and Services	\$290,853	\$264,820	\$2,408	(\$711)	\$266,517
	External Materials and Services	\$12,913,450	\$12,666,836	\$348,165	(\$74,823)	\$12,940,178
<b>Expense</b>	<b>Sum:</b>	<b>\$14,370,691</b>	<b>\$14,403,180</b>	<b>\$350,573</b>	<b>(\$75,534)</b>	<b>\$14,678,219</b>