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Date: March 25, 2021

To: City Budget Office
Angela Butel

FROM: Michelle Kirby, Chief Financial Officer *Michelle Kirby*

RE: Special Appropriations FY 2020-21 Spring BMP Submission

Attached you will find the FY 2020-21 Special Appropriations Spring BMP submission.

If you have any questions, please contact Sheila Craig.

Thank you.



BRFS BUREAU OF REVENUE
AND FINANCIAL
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SA - Special Appropriations DP Type New GF Request

Request Name: 11752 -SA MFS Cash Oregon - Spring BMP 2021 DP

Package Description

Metropolitan Family Service (MFS) CASH Oregon proposes extending VITA program services by remaining open at full capacity until 07/15 to meet the demand from the public. This will result in more expenses for the organization to continue services. By keeping volunteer tax preparation open through 7/15, we anticipate an additional 450 returns being completed. With an average refund of \$2,300 this would result in the Lloyd Center site bringing in an additional \$1 million dollars to the community. MFS CASH Oregon is seeking \$39,000 from the City of Portland to enable these efforts at the Lloyd Center.

Service Impacts

The 2021 tax season has been a large challenge for the volunteer tax prep network across Oregon. In the Portland metro area alone which normally has 50 volunteer tax sites approximately 6 of them have been able to open and serve the public due to COVID restrictions.

In response to the pandemic MFS CASH Oregon worked in consolidating many of the volunteers to operate virtually out of 2 of our main sites located at Beaverton and the Lloyd Center. We are proud to say that in combined efforts so far volunteers have put over \$1.8 million dollars of federal tax refunds into the pockets of low income Oregonians at no cost. Additionally our taxpayers have received refunds from the state of Oregon that amount to almost \$400,000. This combined refund amounts to \$2.2 million as of 3/19/2021.

Our data so far indicates the average refund per tax return is \$500 higher this year than previously. This is due to the Recovery Rebate Credit where many taxpayers did not receive the correct amount of stimulus during the year and the only way to recoup these monies is by filing their 2020 tax return. Additionally our programmatic shift to becoming a VITA site has allowed us to enforce income limits of \$57,000 and below. This has allowed the program to focus on the underserved clientele exclusively. The average income of our clients has fallen by \$7,000 compared to last year due to this change.

Transitioning volunteer tax preparation has been difficult as we have had to develop, implement, and train volunteers on a virtual process where many volunteers do not naturally have these skill sets. Additionally the organization was required to purchase significant amounts of computer hardware and software to enable the process. The challenges of training volunteers on this process cannot be overstated requiring nearly double the training time and significantly more technical assistance to volunteers. When asking significantly more from volunteers, engagement correspondingly falls.

Additionally, the virtual process is slower than in person where we could accomplish everything we needed to do in one location. Now we are reliant upon calling and emailing clients which significantly delays the process and takes additional volunteer hours in coordinating communications.

On top of this, the stimulus payments have created additional demand from taxpayers. Taxpayers who normally don't file suddenly need to file returns and they do not have the economic resources to hire professionals to enable them to receive monies owed to them. Many taxpayers who are reliant on our volunteer services are needing to complete multiple years of taxes as we were forced to close early last year due to the pandemic. So far 1 in 10 of our clients have requested to complete prior year returns which is higher than average. Since

starting the season we have received over 12,000 calls from taxpayers across Oregon and Southwest Washington.

In summary MFS CASH Oregon has had to do significantly more work, take on additional costs, face increased demand from the public, and is able to complete fewer tax returns. Our costs per tax return are drastically higher than in years prior. The demand from the public is significant and we know will continue past 05/17 as taxpayers do not have other options to go to.

Equity Impacts

This funding will impact low-income Oregonians. In response to the pandemic MFS CASH Oregon worked in consolidating many of the volunteers to operate virtually out of 2 of our main sites located at Beaverton and the Lloyd Center. We are proud to say that in combined efforts so far volunteers have put over \$1.8 million dollars of federal tax refunds into the pockets of low income Oregonians at no cost. Additionally our taxpayers have received refunds from the state of Oregon that amount to almost \$400,000. This combined refund amounts to \$2.2 million as of 3/19/2021.

Account Name	2020-21 SPRING Requested Adj
Expense	External Materials and Services 39,000
Expense	Sum: 39,000

Account Name	2020-21 SPRING Requested Adj
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4 - BMP Amendment Request Report (Spring Requested DP

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Revenue	General Fund Discretionary	39,000
Revenue	Sum:	39,000

SA - Special Appropriations

DP Type

Request Name: 11756 -Participatory Budgeting-Commissioner Hardesty

Package Description

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	1,000,000
Expense	Sum:	1,000,000

Account Name		2020-21 SPRING Requested Adj
Revenue	General Fund Discretionary	1,000,000
Revenue	Sum:	1,000,000

SA - Special Appropriations DP Type

Request Name: 11761 -SA COVID Emergency Budget

Package Description

Service Impacts

Equity Impacts

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	42,396,036
	Internal Materials and Services	6,000
	Personnel	290,000
Expense	Sum:	42,692,036

Account Name		2020-21 SPRING Requested Adj
Revenue	Fund Transfers - Revenue	3,957,036
	General Fund Discretionary	0
	Intergovernmental	38,735,000
Revenue	Sum:	42,692,036

Business Area Projection Report

Special Appropriations - Fund 100

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$19,598,874	\$7,138,441	\$18,475,773	94%
Internal Materials and Services	\$276,799	\$384,432	\$400,000	145%
Personnel	\$1,151,671	\$594,978	\$1,169,228	102%
Sum:	\$21,027,344	\$8,117,852	\$20,045,001	95%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Fund Transfers - Revenue	\$0	\$0	\$0	
General Fund Discretionary	\$20,358,863	\$0	\$19,376,520	95%
General Fund Overhead	\$185,877	\$0	\$185,877	100%
Interagency Revenue	\$351,733	\$0	\$351,733	100%
Intergovernmental	\$130,871	\$63,010	\$130,771	100%
Miscellaneous	\$0	\$699	\$1,000	#DIV/0
Sum:	\$21,027,344	\$63,709	\$20,045,901	95%

Revenue Discussion

Special Appropriations Revenue

Revenue Risks

Revenue is allocated for program and currently we are not seeing any risks to the annual allocations.

Expenditure Discussion

Budget for Special Appropriations is specific to council funding programs and it is anticipated that the budget will be fully expended by the end of the fiscal year with the exception of \$92,000 which was identified for program carryover for the Charter Review project.

Expenditure Risks

A large percentage of the expense is tied to outgoing grant agreements and depending on the timing of the acceptance of grants funds are fully encumbered but if programs cross over fiscal years the encumbered funds will be requested through encubrance carry over process via the Fall BMP.

Other Notes

Business Area Projection Report

Special Appropriations - Fund 217

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$87,484,786	\$8,869,244	\$41,657,102	48%
Internal Materials and Services	\$17,250	\$213,963	\$250,000	1,449%
Personnel	\$290,000	\$2,727,041	\$2,727,041	940%
Sum:	\$87,792,036	\$11,810,248	\$44,634,143	51%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$1,650,000	\$0	\$1,650,000	100%
Fund Transfers - Revenue	\$3,957,036	\$0	\$0	
General Fund Discretionary	\$0	\$0	\$0	
Intergovernmental	\$82,185,000	\$510,198	\$43,450,000	53%
Miscellaneous	\$0	\$454,607	\$454,607	#DIV/0
Sum:	\$87,792,036	\$964,804	\$45,554,607	52%

Revenue Discussion

Grant Revenue is based on grants awarded during fiscal year

Revenue Risks

Revenue is budgeted upon receipt of grants which does not pose a risk of reduction.

Expenditure Discussion

Expense is based on grant awards.

Expenditure Risks

Grants cross fiscal years and bureaus project expense for fiscal year but depending on the timing of projects it is possible that budget and expense will carry forward to future fiscal years.

Other Notes

Business Area Projection Report

Special Appropriations - Fund 214

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$1,813,993	\$798,706	\$813,993	45%
Internal Materials and Services	\$50,759	\$39,118	\$50,759	100%
Personnel	\$320,045	\$194,661	\$320,045	100%
Sum:	\$2,184,797	\$1,032,485	\$1,184,797	54%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$903,751	\$0	\$903,751	100%
Fund Transfers - Revenue	\$1,281,046	\$0	\$1,281,046	100%
Sum:	\$2,184,797	\$0	\$2,184,797	100%

Revenue Discussion

Special Appropriations Public Election Fund

Revenue Risks

We are not aware of any risks to revenue.

Expenditure Discussion

Program is projected to underspend in current year. Unspent funds will carryover to next fiscal year and will be utilized for upcoming elections.

Expenditure Risks

We are not aware of any risks of overspending.

Other Notes