



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** September 14, 2022  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 22-29  
Adopting Guidelines for the Inclusive Business Resource Network and Authorizing Grant Agreements to Implement the Inclusive Business Resource Network

**BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution Nos. 7463, 7464 and 7466

Staff seeks Prosper Portland Board of Commissioners (Board) approval of two actions that will i) adopt new Program Guidelines for the Inclusive Business Resource Network (IBRN), and ii) authorize the Executive Director to execute multiple grant agreements to implement the IBRN for the next five years. Most grant agreements exceed the Executive Director's signature authority and require Prosper Portland Board approval. Additional agreements are included in this authorization in the event that additional funds become available during the fiscal year.

**STRATEGIC PLAN ALIGNMENT AND OUTCOMES**

Implementation and funding of IBRN supports Prosper Portland's goals of widely shared prosperity and collaboration with our partners to build an equitable economy. Specifically, IBRN supports the advancement of entrepreneurs from underrepresented populations and encourages thriving businesses that provide wealth creation opportunities for Portlanders of color and other underrepresented entrepreneurs.

Furthermore, IBRN exemplifies Prosper Portland's collaboration with partners to build an equitable economy. Delivering comprehensive business assistance requires an extensive network of partners with a range of cultural competencies, skills, and specializations to fully address the needs of underrepresented entrepreneurs.

IBRN service providers focus on supporting businesses from startup through growth and ensures technical assistance leads to wealth creation and asset development. With the launch of IBRN in 2017, Prosper Portland created a badge system to report outcomes. Partners tracked key milestones; badges were obtained when certain milestones were met. The goal with this model was to capture the various ways a business can be successful regardless of size, stage, or industry. Over the last five years, staff received feedback that 1) required data for the badge system was burdensome on both the partner and business owner and 2) businesses wanted to self-define success. This has led to a shift in the outcomes model for the next five years of programming. Services delivered through IBRN will support clients in reaching the following outcomes:

**Idea to Launch** – services support aspiring business owners to attain foundational business skills in order to determine if they have a viable business idea or product.

**Stability & Resiliency** – services position business owners for wealth creation and asset building. Business owners explore the opportunity to grow or scale in the future and realize the business’s full potential.

**Grow & Scale** – services support business owners with ongoing wealth creation and asset building. Business owners develop and implement growth strategies.

Data will be entered into an online system by both partners and clients. Success is shown by client-reported growth in skills attained or confidence in areas supported by service providers and business owner progress toward self-identified goals. Outcomes will be reported network-wide on an annual basis.

### **BACKGROUND AND CONTEXT**

Prosper Portland launched IBRN in 2017 by combining and growing existing programs to create a portfolio approach to service delivery. Capitalizing on Prosper Portland’s strength as a convener, IBRN offers a holistic and effective service delivery system for underrepresented entrepreneurs in Portland. Prosper Portland partners with and funds organizations to operate a range of programs designed to support diverse entrepreneurs across industries, growth paths, and business stages.

Since the formation of the program, Prosper Portland has compiled feedback from focus groups composed of small business owners and community partners, and collected data during the last several years of programming to conduct a root cause analysis and construct a theory of change. The IBRN theory of change aims to support traditionally underserved business owners to build wealth and develop assets for themselves and their community by:

- **Centering the needs of business owners of color** – Listen to business owners of color around what they need to grow their businesses, address their feedback, and ask them to self-identify outcomes and success they’d like to achieve.
- **Prioritizing outcomes in program and budget decisions** – Support programming grounded in outcomes for businesses owned by people of color. This includes support for launching a product or service, becoming more resilient, growing and scaling, expanding into new markets, and accessing necessary professional services. Invest in programs that have been proven to be effective and successful for business owners of color.
- **Convening an inclusive community of practice** – Create and grow a learning community of practitioners who are focused on serving business owners of color. Develop a shared mission among a variety of organizations and a shared language for racial equity. Support conversations through frequent meetings to share best practices and coordinate referrals throughout the network.

Prosper Portland’s intention with this approach is to allow community partners who work most closely with business communities to determine the most appropriate and effective way to serve their community and to reach the desired program outcomes.

Given the shifts in program and outcomes model, staff request adoption of new Program Guidelines, rescinding those adopted on September 12, 2018, through Resolution No. 7286. Modifications include:

- Revised language around the program outcomes model as described above,
- Provision for execution of long-term grant agreements to provide partner stability and ensure programming can support businesses long-term,

- Added language ensuring grant agreements are contingent on annual adoption of Prosper Portland’s budget and a process to monitor partner performance and allow for course correction

Programming for the next five years will be delivered through, as of now, 22 IBRN grant agreements (see a list of partners and scopes of work Exhibit A to Resolution 7464). Because these grant agreements will be multi-year, with most agreements having a term of five years, many exceed \$500,000 and therefore require Prosper Portland Board authorization. Those agreements that do not exceed \$500,000 fall under the IBRN Program Guidelines and are included in this action in order to seek authorization for the Executive Director to allocate additional funding beyond IBRN Program Guidelines limits if such funding become available during the term of the agreements.

Note, this action does not include agreements with partners that provide service through the Community Opportunities and Enhancements Program. While part of IBRN, those agreements are guided by an Intergovernmental Agreement (IGA) with the City’s Office of Management and Finance and the City’s Office of Equity and Human Rights.

### **EQUITY IMPACT**

IBRN is designed to serve entrepreneurs who are currently underrepresented as successful business owners in Portland, whether they are low-income, identify as a person of color or are a member of another underrepresented community. Since July 2017, IBRN served more than 2,900 entrepreneurs. Sixty-eight percent of clients were business owners of color and 55 percent identified as women or gender-expansive.

In addition, IBRN providers, referred to as the Community of Practice (CoP), have developed a shared equity lens. Prosper Portland staff convene the CoP frequently to build trust and share best practices. Since July 2017, the CoP has participated in more than 10 days of equity training and workshops emphasizing racial equity and providing tools for business advisors to coach their business clients in a culturally competent way. Business advisors in the CoP are part of the communities they serve. Advisors can often speak the client’s first language and add the value of shared experience with business owners of color.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

In May 2022, Prosper Portland issued Requests for Proposals (RFPs) to select IBRN service providers. To inform development of programming to be included in the RFP, staff engaged in significant community engagement with business owners, current partners, internal staff, and other stakeholders.

In Spring 2021, Prosper Portland held small business focus groups which took place in racial/ethnic affinity. More than 50 businesses participated. In March 2022, a community session was held to review the draft framework for programming over the next five years. Staff shared agency priorities, the entrepreneurship theory of change, and outcomes model and held breakout sessions to hear from participants. During this time, IBRN staff also met with agency staff who engage with IBRN to hear what was working for them and where improvements could be made to better support their business stakeholders.

Feedback from this engagement was incorporated in program modifications and included:

- Business owners want to define what success looks like to them and want services to support reaching those goals
- Business owners requested more peer-to-peer networking and mentoring opportunities and quick access to specialized professional services
- Both business owners and partners identified the need for an online business hub

- Business owners want to be involved in the development and selection of programming that is intended to serve them
- Partners need longer term funding commitments to provide successful programming
- Current data collection is too burdensome
- Partners want to do what they do best and not try to fit their programming in a box
- IBRN badge system unintentionally created silos in service delivery; businesses don't seek services in this way

Additional engagement and feedback:

Part of Prosper Portland's role in IBRN is as a convener; staff believe the CoP model is essential to IBRN's success because it supports an environment of trust building, learning, and client-centered collaboration. Periodic CoP surveys provide greater understanding of whether the CoP model is accomplishing its goals and how staff might improve the CoP experience and effectiveness.

IBRN partners inform and help shape the program through multiple avenues: frequent CoP meetings (typically monthly), one-on-one check-ins with contract managers, and topic-specific committees including Professional Services and Equity.

This collaborative approach gives Prosper Portland staff real-time feedback to identify gaps, areas for iterative improvement, and ideas to pilot. For example, based on feedback received, staff advocated for funding to expand access to professional services and in the most recent budget process received double the requested amount to support this need. This will allow for small businesses to quickly access specialized support that may not be offered through the general advising program.

Finally, part of the outcomes pivot includes more engagement with business owners directly through real-time surveys on access to and effectiveness of resources.

### **BUDGET AND FINANCIAL INFORMATION**

While this action is requesting Prosper Portland Board authorization for long-term grant agreements, funding is contingent on the adoption of Prosper Portland's annual budget. The following provides detail related to IBRN funding from the FY 2022-23 budget.

The City of Portland General Funds, including cannabis tax revenue, will be provided to Prosper Portland through an annual IGA with the City Budget Office (CBO) that was approved by the Prosper Portland Board through Resolution No. 7459 on July 13, 2021. The Community Development Block Grant (CDBG) funds will be provided through an annual IGA with the Portland Housing Bureau (PHB), that was approved by the Prosper Portland Board through Resolution No. 7462 on July 13, 2021. The anticipated overall budget for the IBRN for FY 2022-23 is shown in the table below. Funds have been included in Prosper Portland's FY 2022-23 Adopted Budget. Funds from both PHB and CBO will be provided on a reimbursement invoicing basis with the respective City Bureau.

General Fund	\$1,572,919
Community Development Block Grant (CDBG)	\$570,406
Enterprise Zone	\$514,000
Cannabis Revenue	\$1,237,415
<b>TOTAL*</b>	<b>\$3,894,740</b>

\*Does not include Prosper Portland staff time and materials and services

It is possible that additional funds may be identified to support this work. Therefore Resolution No. 7464 authorizes the Executive Director to increase funding to grantees by up to an additional \$500,000.

### **RISK ASSESSMENT**

The following processes and contractual obligations identified in the grant agreements limit risk and ensure that partners deliver optimal services and work toward the goals of the program:

- Report accomplishments, challenges, and outcomes bi-annually (or more frequently)
- Regularly invoice (monthly, or at least quarterly)
- Adhere to federal regulations regarding the use of CDBG
- Regular check ins between Prosper Portland Program Manager and Contract Manager
- Participation in CoP meetings and working within the Network-developed program values

Due to the multi-year nature of grant agreements, staff have developed a program management tool to monitor service and performance to ensure contract compliance.

### **ATTACHMENTS**

None.