



ADOPTED BUDGET
MAYOR
TODD GLORIA



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Budget Equity Summary

Public Engagement in the Budget Process

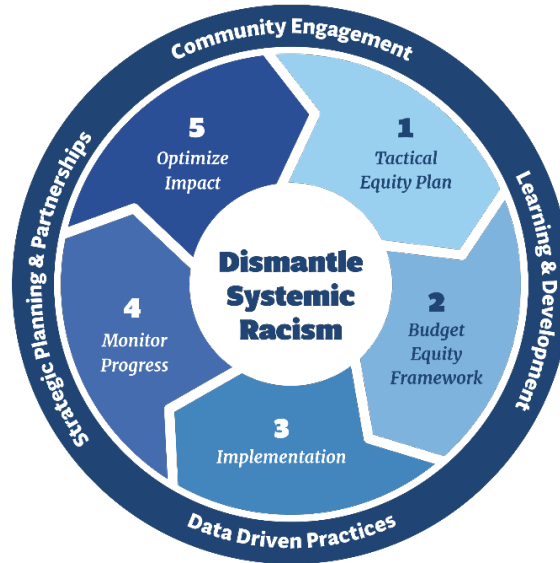
Inclusive public participation practices can build public trust and help government be more responsive to the needs of each community by detailing how budget decisions align department spending with the needs of those communities. In the Budget Equity Summary section, the Division of Race and Equity (DRE), under the IBA (Independent Budget Analyst), discusses how embedding equity considerations in the budget process can assist political leaders (City Council and Mayor) by providing information about how budget and policy decisions can be leveraged to incrementally address disparities, gaps, or deficiencies in each city department.

The City of San Diego is committed to dismantling systemic racism through advancing racial and social equity; this requires a joint commitment and shared prioritization from both the City Council and the Mayor. As the city's chief executive, the Mayor is responsible for appointing department leaders and overseeing daily operations across the City. As the City's legislative body, the City Council holds the power to create and modify policy and adopt budgets. During adoption of the City's budget, the City Council can alter, cut, and/or reallocate portions of the Mayor's Proposed Budget, which is developed to support the operations of each department. DRE is tasked by ordinance with providing the City Council and the public with related analyses and information that are clear, objective, and unbiased. To help operationalize equity through city departments, DRE also partners with the Mayor, executive leaders (Chief of Staff and Branch Chiefs), and directors to assist with implementation of ongoing operations of Tactical Equity Plans, which will be described later in this section.

A baseline understanding of the key terms below is necessary to address institutional racism and address systemic disparities, gaps, and deficiencies. These key terms can also help guide race and equity work across all departments.

- **Equity:** An outcome that occurs when institutional racism and systemic disparities are eliminated, providing everyone with equitable access to opportunity and resources to thrive, no matter where they live or how they identify.
- **Equality:** Each, individual, family, neighborhood, or community is given the same resources and opportunities without recognizing that each person has different circumstances.
- **Equity Lens:** Critical and thoughtful analysis of policy, program, practice, and budget decisions as they relate to equitable outcomes.
- **Equity Opportunity:** When a disparity is identified in a policy, program, practice, or budget decision, an Equity Opportunity emerges to promote equitable outcomes and inclusive access.
- **Equity Implications:** Equity Implications include the impacts budget, policy, and operational decisions on City programs and services, City-owned and leased assets, City neighborhoods, and processes that support City departments in progressing toward desired outcomes. Equity Implications also identify barriers that prevent employees from effectively performing assigned job duties. Equity Implications uses key performance indicators and data to measure progress toward achieving desired outcomes needed to close disparities, gaps, and deficiencies.

To incorporate equity into the budget process and operations, the Department of Finance collaborated with the Division of Race & Equity and the Performance & Analytics Department to guide the implementation of a citywide Operationalizing Equity Model, which incorporates the Budget Equity Framework and the ongoing operations of Tactical Equity Plans. The image below illustrates the sequence of key action steps and processes each department participates in as the city moves towards increased equity.



Tactical Equity Plans: TEP's are a near-term planning document that:

1. Outlines Key strategic priorities, over a 1- to 3-year horizon, for every mayoral department (and a few non-mayoral departments) in the City of San Diego.
2. Applies an equity lens to goals, objectives, and measures of success to identify areas where disparities, gaps, and deficiencies do or do not exist
3. Creates alignment between each department's operational needs and budgetary implications (budget adjustments and ongoing operations in the annual Budget, Five-Year Outlook).

To review the TEP for each Department, scan this image or visit:

<https://www.sandiego.gov/tactical-equity-plan-dashboard>



- **Key Performance Indicators (KPIs):** The Performance & Analytics Department defines KPIs as a specific, specialized type of metric tied to specific goals or objectives, used to analyze progress, success, or failure as departments deliver programs and services to community members.
- **Equitable Outcomes:** Equity is an outcome measured through reviewing metrics and KPIs to advise elected officials on policy, budget, and operational impacts to community members residing in each City Council district. Achieving equitable outcomes is only possible by using quantifiable KPIs to evaluate progress toward the intended results outlined in Volume II by each department.
- **Budget Equity Framework:** The Budget Equity Framework is designed to work together with key terms, training, and tools to prepare City Departments to systematically integrate an Equity Lens into all aspects of the budget and operations/service delivery, including base budgets, adjustment requests (reductions, additions), and unfunded requests. Each Department used an Equity Lens

Budget Equity

when requesting budget adjustments during the budget cycle. The Budget Equity Framework is used to prompt Departments to identify systemic disparities, gaps, and deficiencies, and to create Equity Highlights, which are integrated into each department's Budget Narrative in Volume II of the Budget Book and into Budget Review Committee presentations as City Council reviews the Mayor's Proposed Budget each year.

The Budget Equity Framework contains key deliverables that, when paired with Equity Centered Coaching, guide staff toward a process to request budget adjustments aligned with their TEP in each budget cycle and modify existing appropriations and service delivery to achieve department outcomes and KPIs. These deliverables are:

1. A Budget Equity process, where each budget request is filtered through specific equity lens questions for staff to identify disparities.
2. A Budget Equity Impact Statement (BEIS), which is a brief, public-facing summary of how a department's budget addresses identified disparities and how equity highlights demonstrate the work towards equitable outcomes.
3. Equity Highlights, which are an opportunity for departments to highlight how current fiscal year budgets enhanced equity.

A Budget Equity Impact Statement is included for every department in Volume II of the Budget Document to provide a summary describing how each department's budget will impact a specific neighborhood or City staff, in addition to identifying operational impacts and potential unintended consequences. In partnership with the Division of Race & Equity in the Office of the Independent Budget Analyst and the Performance & Analytics Department, City departments will use a data-driven approach to track and measure how their work impacts equity gaps.

- **Equity Implications:** In the IBA Review and Analysis of the Mayor's Draft Budget, DRE provides *Equity Implications* in each department review to provide context on how budget, policy, and operational decisions impact low-moderate income districts (higher poverty rates on average), historically underserved communities, and city employees. *Equity Implications* take into consideration progress towards achieving key performance indicators and the actions needed to close disparities, gaps, and deficiencies.

Budget Equity: Learning & Development and Equity Centered Coaching

The commitment to embed equity in city policy, budget, and operations is only possible through the facilitated trainings, workshops, and programs focused on advancing racial equity, socioeconomic equity, and inclusion in the City of San Diego. The Race & Equity team provides technical assistance to City departments through Equity Centered Coaching to develop equity-driven strategies and identify specific tasks to address disparities, gaps, and deficiencies. As a part of the learning & development curriculum, identified department leaders attend Budget Equity training before developing budget requests. Addressing implicit bias in Budget Equity work is a challenging but important task. All people, even when well-intentioned, have biases that are normal to human functioning. Since biases are often unconscious or implicit, the Race & Equity team provides training and debiasing tools to support the intentional creation of equitable outcomes. All key decision-makers in the budgetary process receive training to understand the role of implicit bias to reduce its impact.

IBA Budgetary Reporting

Equity Implications identified by the Division of Race & Equity are included in IBA reports and comments to draw attention to budget adjustments (reductions, additions) and unfunded requests that align with opportunities to enhance department Tactical Equity Plans. Equity Implications related to budget adjustments are categorized, and adjustments that have organization wide/cross-departmental impacts

are noted. These Equity Implications are integral to decision-making throughout the Budget Development process, as reflected in the Adopted Budget.

Budget Equity to Guide Infrastructure Investments

A focus on achieving equity cannot occur without investments in infrastructure that address historic divestment and that prioritize Capital Infrastructure Projects in distinct neighborhoods that have systemic disparities, gaps, and deficiencies. A core component of the Budget Equity Framework includes using an equity lens to guide infrastructure decisions to support community access to employment, recreation, and education via City assets. These assets span a wide variety of categories and include streets and related right-of-way features; stormwater and drainage systems; water and sewer systems; public buildings, such as libraries; parks, recreational, and community centers; and public safety facilities, such as police, fire, and lifeguard stations. Departments that manage City assets and ongoing investments use capital improvement funds to enhance the quality of life and design for every neighborhood. The Capital Improvements Program (CIP) Budget amended the priority scoring process when adding new projects to the CIP. Updated in December 2022, [Council Policy 800-14](#) includes equity as part of the scoring process. The locations that face the largest barriers based on historical inequities and systemic racism, Communities of Concern, and Structurally Excluded Communities, are identified throughout the budget.

A Structurally Excluded Community is defined as one of the following:

1. A defined neighborhood, census tract, or council district having documented low levels of access to city services or use of city services and programs.
- A defined neighborhood, census tract, or council district where established indicators suggest disparities prevent individuals or communities from participating fully in the economic, social, and political life of the City.
- A defined neighborhood, census tract, or council district impacted by institutional racism and/or historically racialized policies and practices that have maintained unfair racial outcomes.

Budgetary Reporting: Transparency and Community Engagement

Developing a transparent budget process is key, and the budget cycle is complex; therefore, DRE has several values to describe why the Operationalizing Equity Model is used to embed equity into the budget process. The values below can be used to understand the Budget Equity process and Tactical Equity Plans within the Operationalizing Equity Model above.

The primary focus of these equity-centered tools is to dismantle systemic racism by advancing racial and social equity, as each department uses key performance indicators and data individually and collectively to eliminate institutional racism, systemic disparities, gaps, and deficiencies. DRE provides Equity Implications during three stages of the Budget Development process, including Executive Budget Reviews, review and analysis of the Mayor's Proposed Budget, and Budget Review Committee hearings before the City Council. These Equity Implications inform decision-making throughout the Budget Development process as reflected in the Adopted Budget.

Budgetary Equity Values: Encouraging Community Engagement

- **Equity:** Equity is an outcome, used to measure progress made toward addressing systemic disparities, gaps, and deficiencies. Embedding equity work includes differentiating outcomes and experiences by various demographics/neighborhoods, examining how the public accesses City programs and services, monitoring the quality of City-owned and leased infrastructure assets, and processes that support City departments in progressing toward desired outcomes.
- **Transparency (Equality):** Engaging community members is an important aspect of our democratic process. Every community member should be provided with the opportunity to provide input on

Budget Equity

how their government functions and spends public dollars. To enhance transparency, "Equity Implications" are provided in the review of each fiscal year's budget to advise City Council and the public about the likely impacts of budget, policy, and operational decisions on inequities in City programs and services.

Note: DRE is tasked with providing the City Council and the public with related analyses and information that are clear, objective, and unbiased.

- **Education:** As the budget process is complex, DRE will conduct yearly workshops to educate the public about how budget decisions and TEP's are used to address systemic disparities, gaps, and deficiencies. This information can assist the public in engaging with elected officials during the budget process.
- **Inclusion:** The goal of inclusion is to make sure that typically underrepresented groups are included in city processes. Most importantly, government should explain the complex budget process to enhance community engagement, build trust, and offer opportunities for individuals to provide context and personal experiences with programs and services that numbers alone cannot capture.
- **Public Engagement:** Community engagement in the city budget process is vital because it aligns how departments implement their budgets with the actual needs within communities. Public Engagement also helps educate the public on difficult trade-offs within the context of a structural budget deficit.

Budget Equity Values are important because they focus on building and sustaining public trust and inclusive connections between City government and the communities most impacted by budget and policy decisions. To foster inclusive dialogue, DRE will provide workshops to community members to learn more about the budget process and the Operationalizing Equity model.