

FISCAL YEAR

2024

PROPOSED
BUDGET



Volume 1
Budget Equity

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY





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Budget Equity Summary

In the City of San Diego's Strategic Plan, we have identified our vision, mission, operating principles, and priority areas of focus for 2023 and beyond. This action-oriented plan outlines the specific outcomes, expected results, and related strategies on which City leaders and employees will work collaboratively to deliver what our community needs. Creating equitable outcomes requires a plan to directly address persistent issues connected to neighborhood inequity and systemic racism in the City of San Diego. To incorporate equity into the budget process, the Department of Finance works directly with Department of Race & Equity and Performance & Analytics Department (PandA) to guide the implementation of a citywide Equity Commitment Model, which incorporates the Budget Equity Framework. The image below illustrates the sequence of key strategies and processes each department will engage with as the City moves the needle toward equity.



Budget Equity Framework

Our ability to eliminate institutional racism and systemic disparities as a collective is unlikely to change if we don't have a baseline understanding around the key terms provided below to guide race and equity work across all departments.

- **Equity:** Defined as an outcome that occurs when we eliminate institutional racism and systemic disparities, providing everyone with equitable access to opportunity and resources to thrive, no matter where they live or how they identify.
- **Equality:** Recognizes that each individual, family, neighborhood, or community is given the same resources and opportunities without recognition that each person has different circumstances.
- **Equity Lens:** A set of specific questions we ask to analyze policies, programs, practices, and budget decisions critically and thoughtfully.
- **Equity Opportunity:** When we identify a disparity in a policy, program, practice, or budget decision, an Equity Opportunity emerges to promote equitable outcomes and inclusive access.

This Budget Equity Framework is designed to work in tandem with key terms, trainings, and tools to prepare City departments to systematically integrate an Equity Lens into all aspects of the budget, including

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baseline, proposals, adjustments, and requests. Each City department applied an Equity Lens when requesting budget adjustments in each budget cycle. This methodology will also be used to evaluate how base budget appropriations will be utilized. The Budget Equity Framework will prompt the identification of specific disparities and the creation of Equity Highlights, which will be integrated into each department's Executive Budget Review and City Council Budget Review Committee presentations.

The Budget Equity Framework will allow departments to communicate accurately and succinctly - and to advocate for - their equity needs. Amending the City's budget process to intentionally include equity aligns with our Strategic Plan and serves as one tool in our growing toolkit to manifest our Equity Commitment Model.

The Budget Equity Framework contains three key deliverables that, paired with Equity Centered Coaching, guide staff toward a process to request budget adjustments in each budget cycle. These deliverables are:

1. A Budget Equity process used to outline directions for staff to identify disparities.
2. A Budget Equity Impact Statement (BEIS): a brief, public-facing summary of how your budget addresses identified disparities; and
3. Equity Highlights: an opportunity for departments to highlight how current fiscal year budgets enhanced equity.

A Budget Equity Impact Statement will be included for every department in Volume II of the Proposed and Adopted Budget documents to provide a short summary describing how each Department budget will directly benefit a specific neighborhood or City employee, in addition to identifying operational impacts and potential unintended consequences. In partnership with the Department of Race & Equity and the Performance & Analytics Department, City departments will utilize a data-driven approach to track and measure how their work impacts equity gaps.

Budget Equity Learning & Development

One of the primary objectives of the Department of Race & Equity is to develop content and facilitate trainings, workshops, and programs focused on advancing racial equity and inclusion within the City of San Diego. The Department of Race & Equity will help other City departments develop equity-driven strategies and specific tasks to improve equity by designing content and practices that promote equitable outcomes. As a part of our learning & development curriculum, identified department leaders attended Budget Equity training prior to the development of budget request. Addressing implicit bias in Budget Equity work is a challenging but important task. All people, even well-intentioned people, have biases that are normal to human functioning. And, since biases are often unconscious or implicit, the Department of Race & Equity team provides training and debiasing tools to intentionally curate the creation of equitable outcomes. All key decision-makers in the budgetary process received training to understand the role of implicit bias to reduce its impact.

The Department of Race & Equity continues to integrate equity into all policies, practices, and programs to help departments enhance tactical equity priorities to influence budget requests. The investments for each budget adjustment can be reviewed in Volume 2 of the proposed budget to see how each department applied an equity lens and provided a summary in the Budget Equity Impact Statement (BEIS).

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Budget Equity and the Budget Process

The Department of Race and Equity and the Department of Finance worked together to incorporate the budget equity framework into Operating and Capital Improvements Program budget processes in the summer of 2022. The inclusion of the budget equity framework will be included into the operating budget in a two-phased approach. It would first be included into the budget adjustment process and subsequently be included into the base budget process. The inclusion of the budget equity framework into the budget adjustment process is reflected in the Fiscal Year 2024 Proposed Budget. The inclusion of the budget equity framework into the base budget process is planned to be incorporated in the Fiscal Year 2025 Proposed Budget.

The Capital Improvements Program (CIP) Budget amended the priority scoring process when adding new projects to the CIP. Council Policy 800-14 was updated in Fiscal Year 2023 and now includes equity as part of the updated factors in the scoring process.



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