

DRAFT BUDGET

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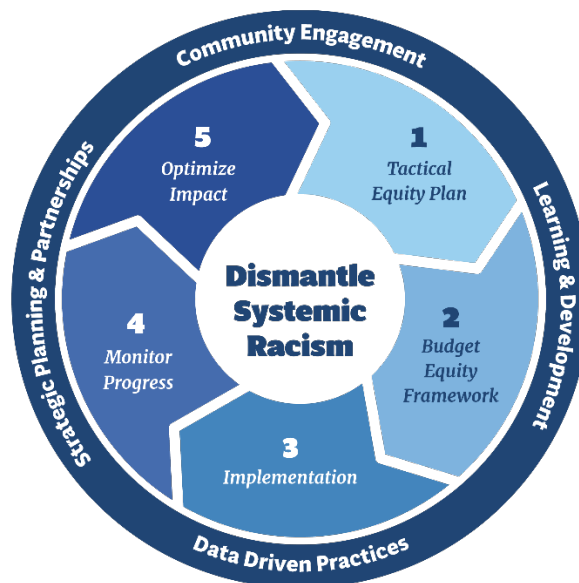
VOLUME 1 Budget Equity



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Budget Equity

The City of San Diego's Strategic Plan identifies the vision, mission, operating principles, and priority areas of focus for 2024 and beyond. This action-oriented plan outlines the specific outcomes, expected results, and related strategies in which City leaders and employees will work collaboratively to deliver what the community needs. To incorporate equity into the budget process and operations, the Department of Finance worked in collaboration with the Human Resources Department's Race & Equity Division and the Performance & Analytics Department to guide the implementation of a citywide Operationalizing Equity Model, which incorporates the Budget Equity Framework. The image below illustrates the sequence of key action steps and processes each department participates in as the City moves the needle toward equity.



Budget Equity Framework

The ability to eliminate institutional racism and systemic disparities as a collective is unlikely to change if there isn't a baseline understanding of the key terms below to 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.

This Budget Equity Framework is designed to work together with key terms, trainings, and tools to prepare City Departments (Departments) to systematically integrate an Equity Lens into all aspects of the budget

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and operations/service delivery, including base budgets and budget adjustment requests. Each Department applied an Equity Lens when requesting budget adjustments during the budget cycle. This methodology is also used to evaluate how ongoing appropriations (base budgets) and service delivery will be utilized. The Budget Equity Framework is used to prompt Departments to identify disparities and create Equity Highlights, which are integrated into each department's Budget Narrative and City Council Budget Review Committee presentation.

The Budget Equity Framework allows departments to communicate accurately and succinctly—and to advocate for—their equity needs to address identified disparities or gaps. Amending the City's budget process to intentionally include equity aligns with the Strategic Plan and serves as one tool in the growing toolkit to manifest the Operationalizing Equity Model.

The Budget Equity Framework contains key deliverables that, when paired with Equity Centered Coaching, guide staff toward a process to request budget adjustments in each budget cycle and modify existing appropriations and service delivery. 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 Race & Equity Division and the Performance & Analytics Department, City departments will use a data-driven approach to track and measure how their work impacts equity gaps.

Budget Equity Learning & Development and Equity Centered Coaching

One of the primary objectives of Race & Equity Division is to develop content and facilitate trainings, workshops, and programs focused on advancing racial equity and inclusion within the City of San Diego. The Race & Equity team coaches City departments through Equity Centered Coaching to develop equity-driven strategies and identify specific tasks to address disparities using an Equity Toolkit. As a part of the learning & development curriculum, identified department leaders attend Budget Equity training prior to 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 intentionally curate the 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.

A focus on achieving equity cannot occur without infrastructure investments to cultivate opportunities to address historic divestment and prioritizing Capital Project Funds in distinct neighborhoods that have systemic disparities. 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 extensive City assets. These assets span a wide variety of categories and include streets and related right-

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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 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.
2. A defined neighborhood, census tract, or council district where established indicators suggest disparities are preventing individuals or communities from participating fully in the economic, social, and political life of the City.
3. A defined neighborhood, census tract, or council district impacted by historically racialized policies and practices that have maintained unfair racial outcomes due to institutional racism.