

FISCAL YEAR
2025

Volume 1
Budget Equity

PROPOSED BUDGET

The City of
SAN DIEGO
MAYOR TODD GLORIA



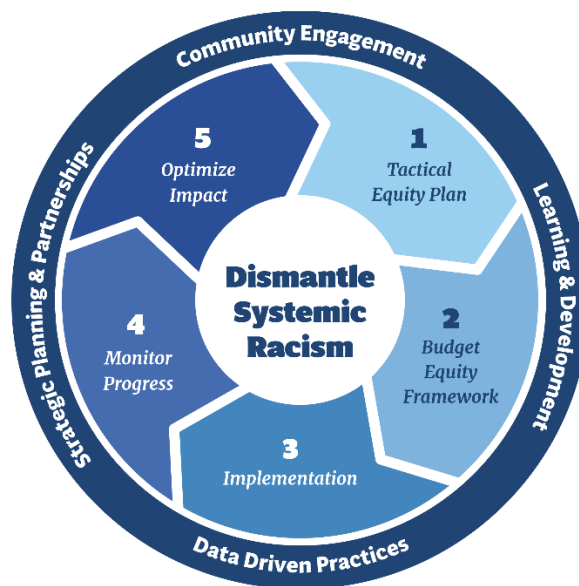
HOUSING | PROTECT & ENRICH | INFRASTRUCTURE | SUSTAINABILITY | PROSPERITY



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Budget Equity Summary

In the City of San Diego's Strategic Plan, the vision, mission, operating principles, and priority areas of focus for 2024 and beyond are identified. 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. 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 and operations, the Department of Finance worked directly with the Department of Race & Equity and the 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

The ability to eliminate institutional racism and systemic disparities as a collective is unlikely to change if there isn't 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 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.

Budget Equity

This Budget Equity Framework is designed to work in tandem with key terms, trainings, and tools to prepare City Department's (Departments) to systematically integrate an Equity Lens into all aspects of the budget and operations/service delivery, including base budgets, adjustments, and 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 budget) 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. 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 Equity Commitment Model.

The Budget Equity Framework contains two 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 current fiscal year budgets enhanced equity.
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 short summary describing how each department's 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 use 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 the learning & development curriculum, identified department leaders attended Budget Equity training prior to the development of budget requests. 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. 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.

A focus on achieving equity cannot occur without using infrastructure investments to cultivate opportunities to address historic divestment, and prioritizing Capital Project Funds in distinct neighborhoods that have unique disparities. A core component of the Budget Equity Framework includes

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using an equity lens to guide infrastructure decisions to support community members' access to employment, healthcare, and education via extensive 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 ongoing investments utilize 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. Council Policy 800-14 was updated in Fiscal Year 2023 and now includes equity as part of the updated factors in 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 process of allocating funding.

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.

A focus on achieving equity cannot occur without using infrastructure investments to cultivate opportunities to address historic divestment, and prioritizing Capital Project Funds in distinct neighborhoods that have unique disparities. 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.

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. To illustrate how each department applied an equity lens, Volume II includes a summary of the investments for each budget adjustment in the departments' Budget Equity Impact Statements (BEIS).

Budget Equity and the Budget Process

The Department of Race & 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 was included into the operating budget in a two-phased approach. It first was included into the budget adjustment process and subsequently included into the ongoing base budget process. The inclusion of the Budget Equity Framework into the budget adjustment process was first reflected in the Fiscal Year 2024 Budget. The inclusion of the Budget Equity Framework into the ongoing base budget process has been incorporated in the Fiscal Year 2025 Budget.



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