



LOCAL AND REGIONAL GOVERNMENT
ALLIANCE ON
RACE & EQUITY



National
Collaborative
— for —
Health Equity

Race Matters:

Local Government Budgeting And Racial Equity

March 23, 2015



Agenda for today:

- Welcome
 - Brian Smedley, National Collaborative for Health Equity
- Governmental opportunities to advance racial equity
 - Julie Nelson, Government Alliance on Race and Equity
- Local government budgeting 101
 - Ben Noble, City of Seattle Budget Office
- Integrating racial equity into government budgeting
 - Tyler Running-Deer, City of Seattle Budget Office
 - Andrew Scott, City of Portland Budget Office
- Q&A / Wrap Up and Closing



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National Collaborative for Health Equity

Promotes health equity –

- ✓ Catalyzing collaborations
- ✓ Connecting research, policy analysis, communications, and activism
- ✓ Supporting policy, systems, and environmental change that addresses the legacy of racism, particularly structural manifestations, and their health consequences.



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Government Alliance on Race and Equity

A national network of government working to achieve racial equity and advance opportunities for all.



Alliance three-pronged approach:

- ◆ Support a cohort of governmental jurisdictions at the forefront of racial equity.
- ◆ Develop a “pathway for entry” for new jurisdictions.
- ◆ Build cross-sector collaborations to achieve equity in our communities.



Racial inequity in the U.S.

Education

Jobs

Housing

Criminal Justice

Arts and Culture

Health

Environment

Equitable Development

● **100%**

Likelihood that race is a determinant for key health and social indicators in life.

● **10 years**

Difference in life expectancy based on zip code in King County.



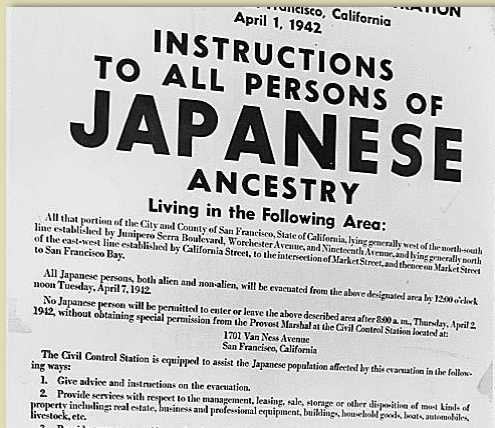
Racial equity means:

- “Closing the gaps” so that race does not predict one’s success, while also **improving outcomes for all**
- To do so, have to:
 - ✓ Target strategies to close the gaps
 - ✓ Move beyond “services” and focus on changing policies, institutions and structures



History of government and race

Initially explicit



Government explicitly creates and maintains racial inequity

Became implicit



Discrimination illegal, but “race-neutral” policies and practices perpetuate inequity.

Current opportunity - government for racial equity



Proactive policies, practices and procedures that advance racial equity



Governmental work on racial equity

Factors driving success:

Use a shared
analysis

Build
capacity

Implement
tools

Partner with
others

Use data and
metrics

Operate
with urgency



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Municipal Budgeting – The (Very) Basics

**Presented by: Ben Noble
May 23, 2015**



Financial Realities

- Municipalities must balance their budgets
 - Expenditures cannot exceed revenues
 - Unlike Fed. Govt., do not borrow to meet operating expenses
- Revenues typically dominated by a few basic sources:
 - Property tax
 - Sales tax (if applicable)
 - Business taxes
 - Utility taxes
 - Fees and Charges
- Municipal revenues are strongly tied to local economy (and fluctuate with the local economic conditions)



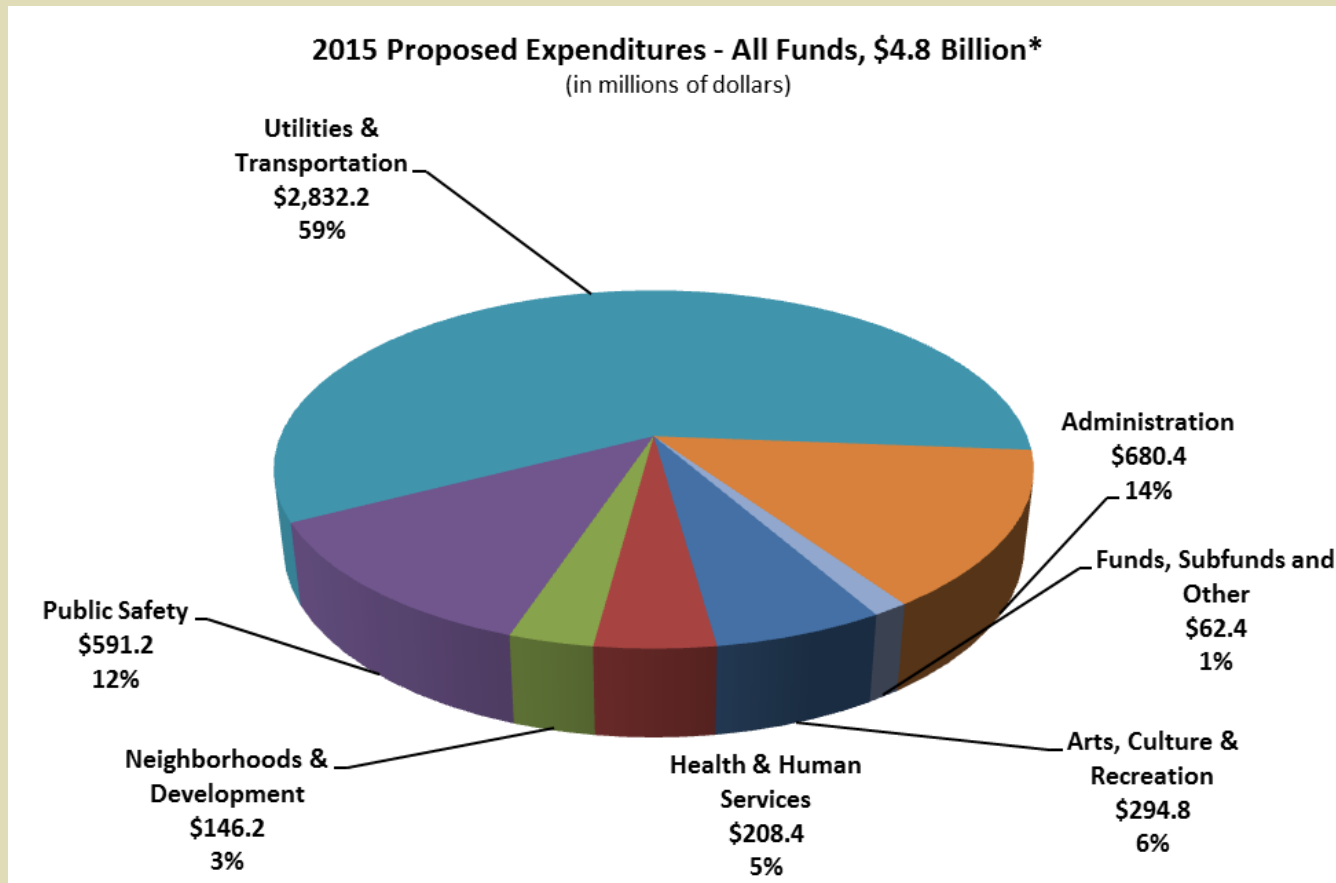
Financial Realities (cont.)

- Limited flexibility in municipal spending
 - Basic services such as police, fire and utilities typically represent 50% or more of budgeted expenses.
 - Revenue growth often barely sufficient to meet increased cost of providing services
- “Colors of money” further limit flexibility
 - Certain revenues can only be used to fund certain activities:
 - Utility revenues generally cannot be used to support general government purposes such as parks, libraries, transportation or public safety
 - Fees and charges can only be used to support the activities for which they were collected



Seattle as an Example

The 2015 Proposed Budget totals \$4.8 billion



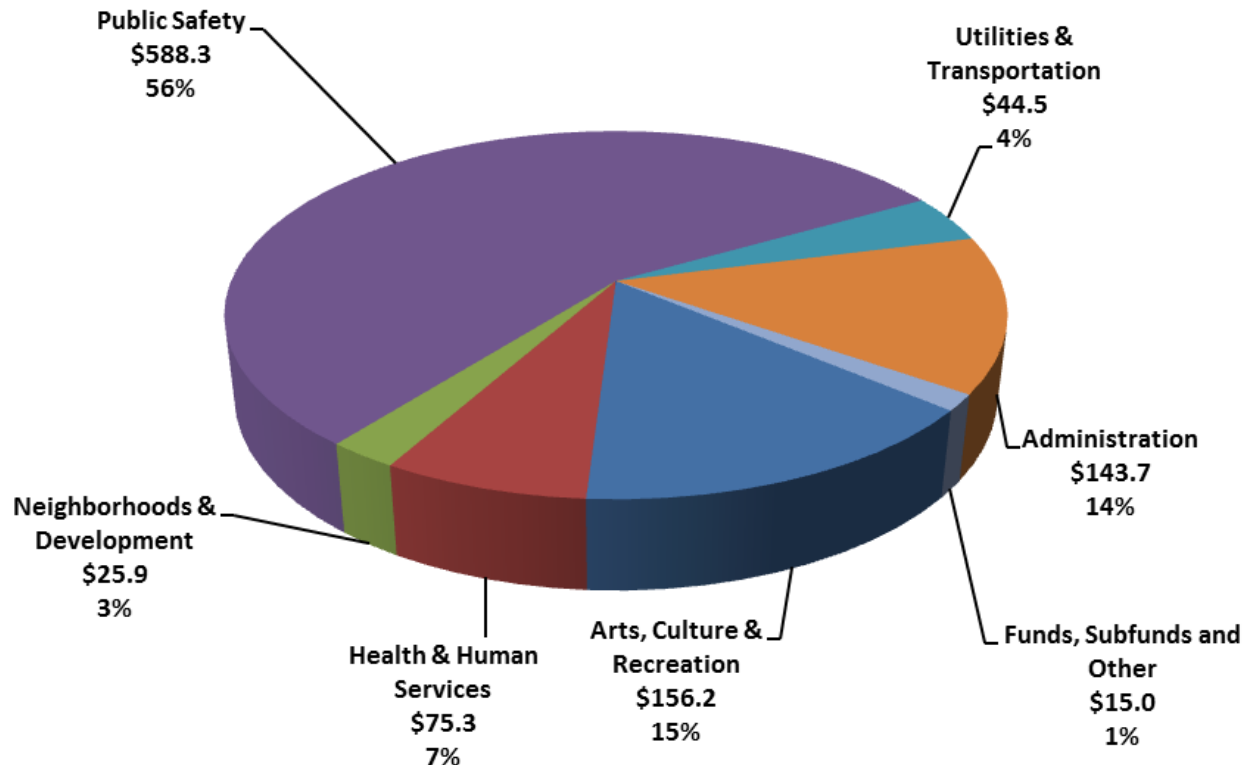


Seattle as an Example (cont.)

General Fund Budget is \$1.05 billion

2015 Proposed General Fund Expenditures - \$1.05 Billion

(in millions of dollars)





Operating vs. Capital

- Operating expenditures represent on-going commitments for staffing, program implementation, etc.
 - City staff - firefighters, police officers
 - Contracted services – public defense, IT support
 - Overhead – rent, utilities, administration
- Capital expenditures represent one-time investments that will last for many years
 - Fire station
 - Community Center
 - IT systems?
- Major capital expenditures may be paid for in cash or financed over time by borrowing money to address upfront investment. If funding is borrowed, annual payments then become part of on-going operational expenditures.
- Ultimately only one budget - total expenditures cannot exceed total revenues



Budget Development

- Fiscal year vs. calendar year
- Baseline Process
 - What will cost to continue existing services for another year?
 - “Zero basing” as an alternative
- Revenue Forecast
 - Budgets are balanced to forecast revenues
 - If revenue forecasts change, budgets may need to be adjusted
- Budget Submittals
 - Departments/agencies submit budget proposals in response to guidance from Mayor/City Manager – may be direction to add to budget or to reduce
 - Each department identifies its own financial priorities
- Balancing
 - Budget staff help Mayor/City Manager reviews and prioritize budget proposals from across municipal agencies
- Balanced budget submitted to Council



Budget Approval – Council Process

- Council process typically provides most direct opportunity for public presentation and input
- Mayor/City Manager presents budget to Council in a public forum
- Individual departments often make separate presentation as well
- Council may host public hearings
- Provides opportunity for public to identify their funding priorities
- Council budget actions
 - Amend budget to shift funding from one priority to another – but still constrained by requirement for a balanced budget
 - Approve proposed funding but require ongoing reporting



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Integrating Racial Equity in Government Budgeting

Tyler Running-Deer, Deputy Director, City of
Seattle Budget Office



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Equity in Government Budgeting

What is it?

Allocation of public resources informed by an equity analysis in order to help avoid or decrease disproportionate services, resources or impacts to the public.



Equity in Government Budgeting

How do we do it?

- Awareness of equity and disproportionality
- Commitment to improving equity
- Common understanding of expectations
- Tools to analyze equity
- Processes to review and make decisions
- Implementation of budget actions
- Review and assessment of budget actions



Budget Instructions Checklist ¹

- ✓ Review RSJ Best Practices Criteria, the Racial Equity Impact Analysis instructions, and examples of completed analyses (see City's RSJI website for the RSJI Filter Toolkit);
- ✓ Identify appropriate staff to complete the analysis;
- ✓ Collect data necessary for completion of the Racial Equity Impact Analysis (resources are provided in the filter toolkit);
- ✓ Complete Racial Equity Impact Analysis Worksheet to help answer the RSJI Filter questions;



Budget Request Template ¹

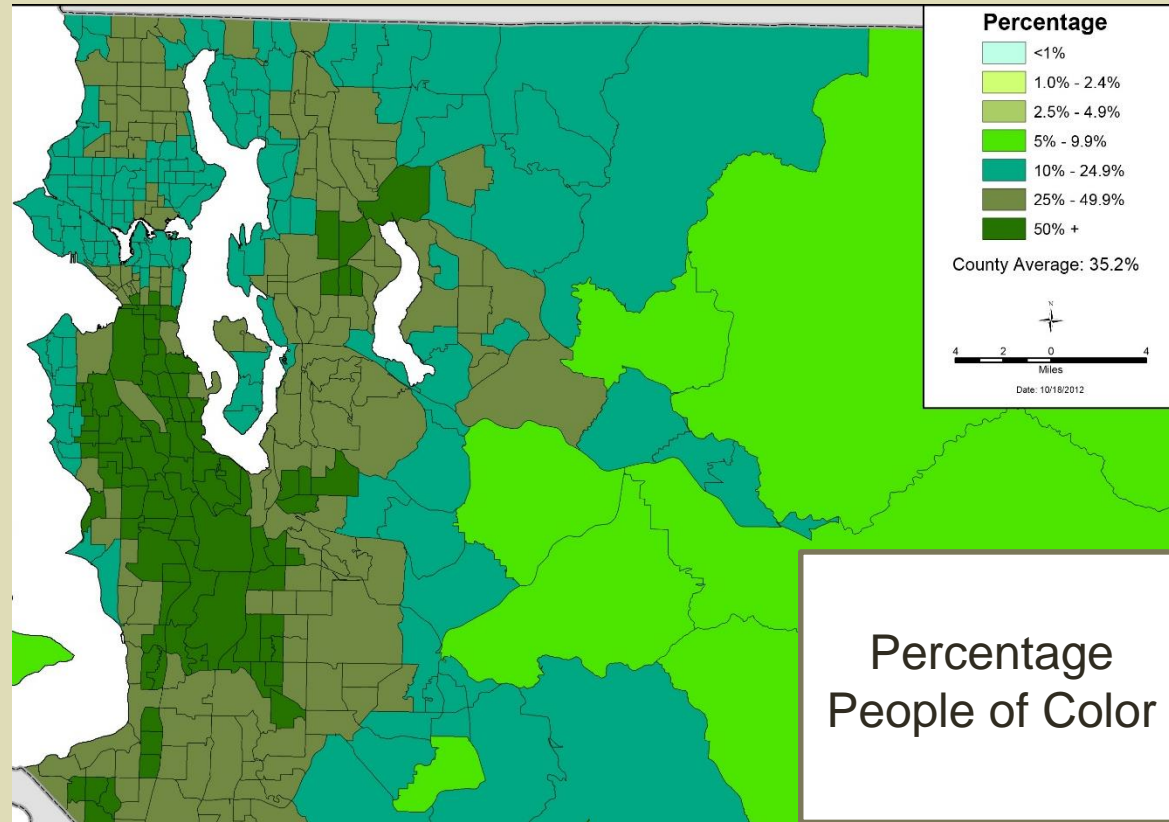
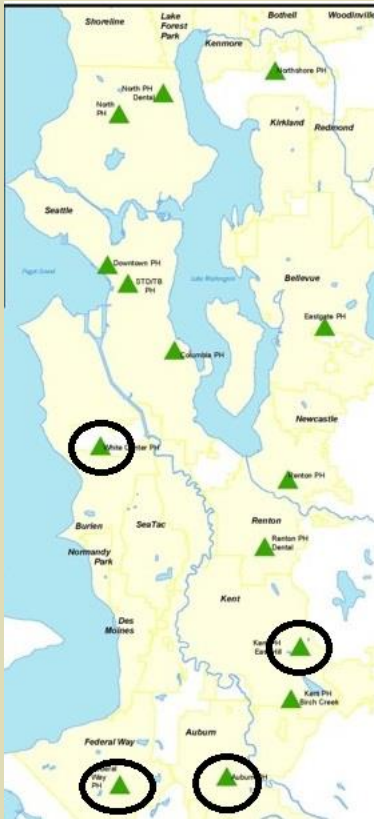
X. RSJI.

- a. How does this proposal advance the principles of the Race and Social Justice Initiative?
- b. How does it affect vulnerable or historically disadvantaged communities?
- c. If this proposal has any negative effects for RSJI work, what mitigating factors have you considered?



Disproportionate Impact Decision ²

Closure of facilities due to revenue losses.





Equity Decision ³

Redirection of available funding.

Before

Seattle Channel Tech Cetera Series - \$78,000

The proposed Seattle Channel series would highlight Seattle as a great place for startups ... highlighting work to bridge the digital divide. The show consists of studio interviews with high tech business leaders and field segments that focus on how new technologies affect Seattle residents.

After

Increase Diversity Programming - \$78,000

This item provides funding to increase the diversity of programming on the Seattle Channel and the public access channel to reflect the communities in Seattle. DoIT will work with the Office of Immigrant and Refugee Affairs and the Seattle Office of Civil Rights to develop specific activities.



Resources

1. City of Seattle 2015 Budget Instructions and 2015 Budget Planning Template

2. King County demographic maps

<http://www.kingcounty.gov/elected/executive/equity-social-justice/tools-resources/maps.aspx>

3. City of Seattle 2015 Adopted Budget

<http://www.seattle.gov/financedepartment/15AdoptedBudget/default.htm>

4. City of Seattle Race and Social Justice Initiative

<http://www.seattle.gov/civilrights/race-and-social-justice-initiative>

5. King County Equity and Social Justice Initiative

<http://www.kingcounty.gov/elected/executive/equity-social-justice.aspx>



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Integrating Racial Equity in Government Budgeting

Andrew Scott, Director
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Portland's Approach to Equity

PROSPEROUS. EDUCATED. HEALTHY. EQUITABLE.

THE PORTLAND PLAN



**OFFICE of EQUITY
and HUMAN RIGHTS**
CITY OF PORTLAND



**CITYWIDE
EQUITY
COMMITTEE**

Mayor's FY 2015-16 Budget Priorities:

- ✓ Complete Neighborhoods
- ✓ Emergency Preparedness
- ✓ Equity & Opportunity



Analyzing Equity

Three major changes:

1. Budget Review Criteria
2. Budget Equity Assessment Tool
3. Mapping City Spending and Services



Budget Review Criteria

The “Top 12 CBO Criteria” for budget review and analysis, based on financial policy:

- 1.Support essential city services - FIN 2.02; ORS 221 Cost Sharing for Cities; City Council’ s Goals for the City of Portland – FY 2011-12 Adopted Budget
- 2.Maintain and protect City’ s infrastructure (existing assets given priority over acquisition of new assets) - FIN 2.02 and 2.03
- 3.Identify future maintenance needs and operating costs – FIN 2.03
- 4.Maintain and enhance City’ s credit ratings - FIN 2.02 and 2.12
- 5.Maintain financial stability (avoid unexpected future costs and material cost variances) - FIN 2.02
- 6.Promote fiscal sustainability (revenue source maximization and diversification) - FIN 2.06
- 7.Avoid one-time resources to fund ongoing programs (including grant funding) - FIN 2.04 and 2.06
- 8.Support long term city needs – FIN 2.04
- 9.Utilize conservative revenue projections– FIN 2.03 and 2.06
- 10.Evaluate fully loaded costs (e.g. direct costs, bureau overhead, GF overhead, loss of interest, depreciation). - FIN 2.03 and FIN 2.08
- 11.Leverage other funding sources (efficient and effective coordination with other public and private service providers) - FIN 2.04 and 2.06)
- 12.Support City’ s equity goals** – Portland Plan Proposed Draft



Budget Equity Assessment Tool

- How do you gauge the equity impact of a budget?
 - Communities of color
 - People with disabilities
- Questions to guide City Bureaus
 - How does the bureau request advance equity?
 - How does the request impact employees of color or those with disabilities?
 - How do specific programs or services advance equity? Are any neighborhoods disproportionately affected?
 - What steps were taken to ensure equitable public participation?

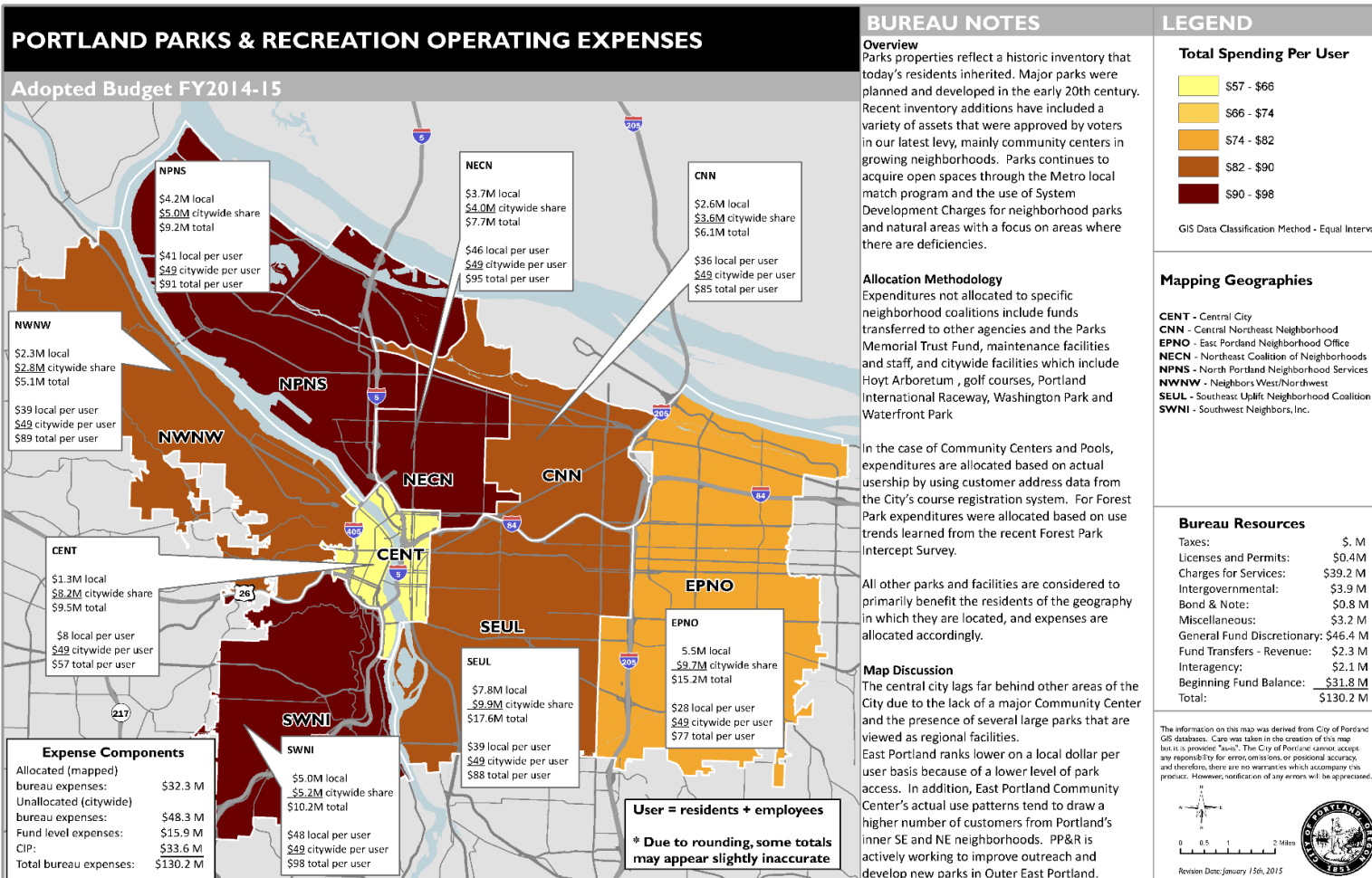


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Budget Mapping

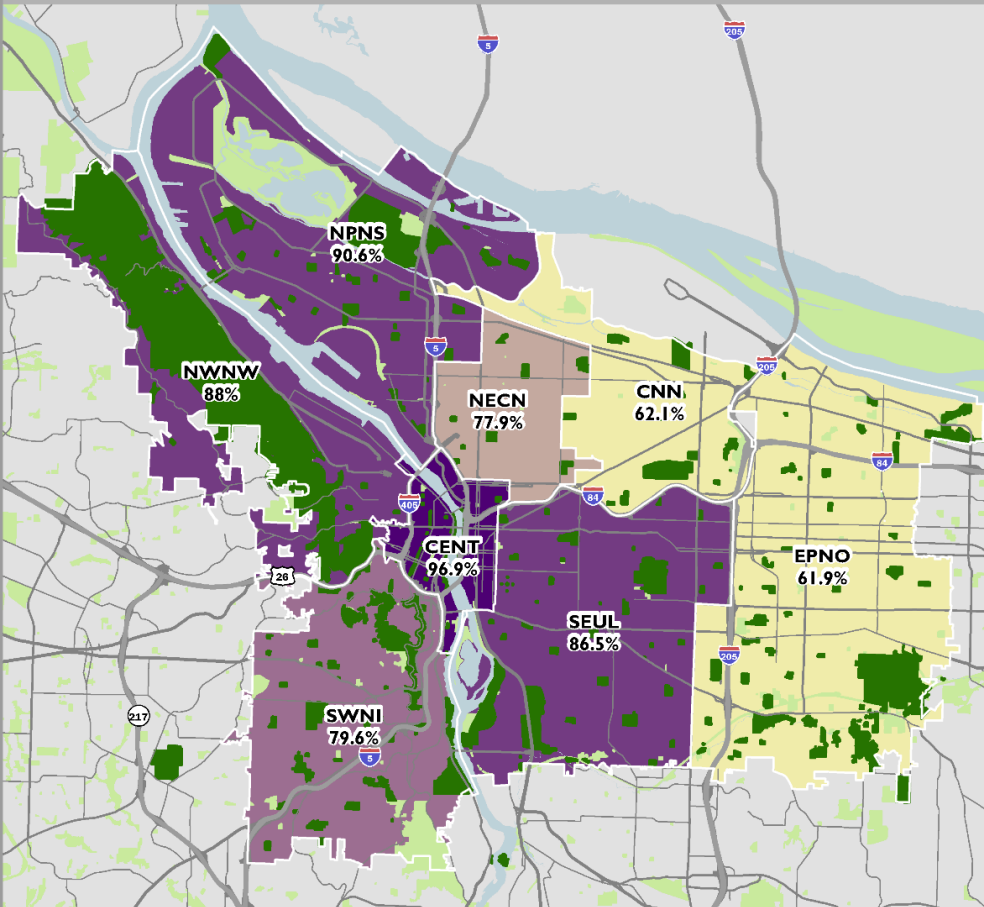




Budget Mapping

PERCENTAGE OF HOUSING UNITS WITHIN ONE-HALF MILE OF A DEVELOPED PARK OR NATURAL AREA

FY2014-15 PORTLAND PARKS AND RECREATION



BUREAU NOTES

Percentage of Housing Units Within 1/2 Mile Of A Developed Park

Portland Parks & Recreation's (PP&R) 2020 Vision includes a goal to "Provide a wide variety of high quality recreation services and opportunities for all residents." An objective of this goal, and a measure of our level of service, is to provide a park experience within a half mile (approximately 10 to 15 minute walk) of every Portland resident. The park experience includes developed parks (parks with, at a minimum, grass, trees, circulation, open play areas and seating), and accessible natural areas over 1/6 of an acre in size.

This map shows the percentage of housing units in each neighborhood coalition that are within 1/2 mile walk of a park or natural area. The 1/2 mile distance is calculated using the walkable street and trail system, so parks in areas with poor transportation circulation systems have smaller service areas and serve fewer people. The calculation also takes into account walkability to actual park entry points.

Typically, the districts with lower levels of service are the more recently annexed parts of the city, where former county parks with fewer amenities were added to the system. PP&R is actively working to improve that level of service. In 2010, the percentage of housing units within a 1/2 mile walk of a developed park or natural area was 77.1%; in 2011, it was 78.8%, in 2012 it was 79.3%, in 2013 it was 79.3%, in 2014 it was 79.3%.

The percentage of housing units within a 1/2 mile walk of a developed park or natural area does not include undeveloped properties or properties not owned or managed by PP&R. While shown on the map for context, not all of these properties are open for general public recreation, even though they are open spaces. Therefore, PP&R does not count them towards this level of service.

LEGEND

Percentage of Housing Units Within One-Half Mile of a Developed Park or Natural Area.

- 61.9% - 62.1%
- 62.2% - 77.9%
- 78% - 79.6%
- 79.7% - 90.6%
- 90.7% - 96.9%

GIS Data Classification Method - Natural Breaks

Portland Area Parks and Natural Areas

- PP&R Developed Park / Natural Area
- Other open space / undeveloped parks

Note: The width of the symbol for Parks has been exaggerated for visual clarity.

Mapping Geographies

- CENT - Central City
- CNN - Central Northeast Neighborhood
- EPNO - East Portland Neighborhood Office
- NECN - Northeast Coalition of Neighborhoods
- NPNS - North Portland Neighborhood Services
- NWNW - Neighbors West/Northwest
- SEUL - Southeast Uplift Neighborhood Coalition
- SWNI - Southwest Neighbors, Inc.

The information on this map was derived from City of Portland GIS databases. Care was taken in the creation of this map but it is provided "as is". The City of Portland cannot accept any responsibility for error, omission, or positional accuracy, and therefore, there are no warranties which accompany this product. However, notification of any errors will be appreciated.



0 0.5 1 2 Miles





Summary

- Multi-faceted approach to incorporating equity
 - Training, discussion, explanation
 - Tools help departments ask the important questions
 - Data: know where you are, know where you're going
-
- [Maps at www.portlandoregon.gov/cbo/67037](http://www.portlandoregon.gov/cbo/67037)



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Questions?

**Use the comment box to
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