



OFFICE of RACIAL EQUITY

A DIVISION OF THE SAN FRANCISCO HUMAN RIGHTS COMMISSION

MEMORANDUM

TO: Hon. Members, Board of Supervisors

CC: Angela Calvillo, Clerk of the Board of Supervisors
Ashley Groffenberger, Mayor's Budget Office

FROM: Office of Racial Equity, Human Rights Commission

DATE: December 31, 2021

RE: Racial Equity Budget Assessment Tools

Summary

In response to [Ordinance No 188-19](#), ORE has developed two types of racial equity budget assessment tools: one to be applied to an individual program or initiative, and one to be applied to a department's overall budget. Through 2022, ORE will work closely with department Racial Equity Leaders to pilot these and to identify improvements to both tools.

Introduction

[Ordinance No 188-19](#) directs the Office of Racial Equity (ORE) to “create a budget equity assessment tool for City departments to use in order to determine whether budget requests and annual allocations benefit or burden communities of color” and submit it to the Board of Supervisors for possible approval. To meet this mandate, ORE has developed two types of racial equity budget assessment tools: one to be applied to an individual program or initiative, and one to be applied to a department's overall budget. They build on the guiding principles for racial equity in budgets that ORE presented to the Board of Supervisors during the last budget cycle ([memo](#) and [presentation](#)).

The overall purpose of the racial equity budget assessment tools (“tools”) presented in this memo is to increase accuracy in how departments across the city identify the racial equity impacts of budget investments. The tools provide a consistent, structured format for department leaders to reflect on the extent to which their resources and activities affect racial equity, whether that be within a single initiative or across their entire budget. The tools are intended to produce reliable information that can be understood and evaluated by the general public and policymakers.

1. Racial Equity Budget Assessment Tool: Program/Initiative

This racial equity budget assessment tool is for departments to identify the outcomes of a **single program or initiative** (Appendix A). The focus of the tool is:

- What parts of the initiative are *intentionally designed* to close disparities for specific communities? What demographics and neighborhoods?

- What citywide or community *conditions and disparities* is this initiative intended to help improve? How will the department know if they are changing?
- What are the direct *outcomes* of the initiative intended to be? How will the department measure whether people who participate in the initiative are better off?

Departments should complete this tool as they consider how to design or improve a program/initiative to close racial disparities, especially any disparities that may exist within or may even be made worse by their services and policies. Their final responses to the tool should then be provided to policymakers to help them understand how funding for that individual program or initiative will affect communities of color.

Given that resourcing across departments for racial equity analysis is currently uneven and limited, ORE recommends piloting this tool through 2022:

- ORE will work with departmental Racial Equity Leaders to create a cohort of departments that are interested in testing the tool on a variety of programs and initiatives of different sizes. Learnings will be used to refine the tool for future budget cycles and develop a training curriculum.
- ORE also recommends that should the Board of Supervisors or Mayor’s Budget Office be interested in testing this tool, they include it as a supplement in their requests to departments about the racial equity impacts of a specific program or initiative. ORE will use responses to evaluate where additional training on racial equity analysis is needed.

2. Budget Equity Assessment Tool: Department Inventory

This racial equity budget assessment tool is for departments to inventory racial equity work across their **overall budget and activities** (Appendix B). The focus of the tool is:

- What are the department’s *priority issue areas for closing racial disparities* that exist within its services, practices, policies, and workforce?
- Of the department’s overall resources and activities, which ones are *intentionally allocated* to address those priority issue areas? How does this compare to the department’s overall budget?

This tool will establish a baseline inventory of racial equity resourcing and activities within each department, relative to its overall portfolio of work. This information is necessary for the development of departmental Racial Equity Action Plans Phase 2, which will focus on procurement, contracting and grants, and delivery of services and programs to San Franciscans.

While many departments have used approaches similar to the program/initiative tool described above, very few have experience identifying racial equity work across all of their activities. In consideration of this, ORE recommends using the tool as follows in 2022:

- ORE will require that departments complete the tool as part of their Annual Progress Reports due on March 1, 2022. This is intended to fulfill the spirit of the requirement in [Ordinance No 188-19](#) that the Annual Progress Reports include information on the department’s “provision of services to the public, including both direct services as well as services provided through grants and contracts.” Due to the timing of the budget cycle,

ORE anticipates some departments may require a one-month extension on this specific portion of their Annual Progress Report.

- Through the remainder of 2022, as part of the development of the Racial Equity Action Plans Phase 2, ORE will work with Racial Equity Leaders and engage community to review the Department Inventory responses and identify where additional information and focused action is needed. Input from community through this process will also be used to further refine both budget tools.

Learnings

To create the tools, ORE drew on: departmental responses to racial equity questions during the last budget cycle; input from department Racial Equity Leaders; and discussions with racial equity teams from City of Oakland, City of Los Angeles, City of Long Beach. Both tools also incorporate concepts from racial equity policy analysis approaches commonly used by other jurisdictions, such as “results-based accountability” and “structured decision-making.” The tools are based on budget equity resources that are already being used within some City departments, such as the Planning Department, and proposals from the Mayor’s Budget Office.

In particular, ORE identified the following learnings to inform both the tools and the implementation process:

- **Need to accurately assess which activities are intentionally designed to close racial disparities.** Departments are likely overestimating the level of resources allocated to racial equity improvements. Many department leaders have directed that their staff recognize the importance of racial equity across *all* initiatives and activities. As a result, Racial Equity Leaders have stated that staff are finding it difficult to distinguish between investments that generally benefit BIPOC participants as part of the overall population, and investments that are actively intended to close equity gaps that exist within or are worsened by department practices and policies.
- **Need to make information transparent and accessible to counter a scarcity mindset.** Racial Equity Leaders and community members alike observed that communities of color are often positioned against each other for relatively small amounts of funding. Lack of accessible information about how department budgets and contracts are connected to racial equity outcomes contribute to a sense of scarcity and competition.
- **Need to ask detailed questions and provide dedicated guidance.** Some Racial Equity Leaders felt that including more structured, detailed questions would make the tools easier to use and help staff provide more accurate and consistent information. Racial equity teams from other jurisdictions also shared that the most effective way they have found to improve their budget equity processes is to provide dedicated, ongoing guidance and training to department staff.

Investing in Budget Equity

As described above, ORE will pilot and refine these racial equity budget assessment tools with department Racial Equity Leaders in 2022. Among Racial Equity Leaders, some have not been previously involved in their department’s budget processes, while others have extensive experience. Compared to many other jurisdictions that have implemented budget equity processes, the City has an unusually complex set of departments, enterprises, and agencies.

While larger departments may have an entire division dedicated to budget development, smaller departments may have only a single employee. In future years, additional resources will be needed for departments to implement the tools effectively and to enable ORE to provide a formal and robust review of responses on an ongoing basis.

Lastly, the tools presented in this memo are a basic and preliminary step towards racial equity in budgeting. Enabling all departments to move towards true racial equity will require the City and County of San Francisco to invest intentionally in broader budget equity-related practices, such as participatory budgeting and collecting accurate race/ethnicity data.

Conclusion

Over the next year, ORE will work with department Racial Equity Leaders to pilot both racial equity budget assessment tools:

- **Program/Initiative Tool:** A cohort of departments will test this tool through 2022. The Board of Supervisors or Mayor's Budget Office may also choose to include this tool as a supplement in any departmental requests about the racial equity impacts of a specific program or initiative.
- **Department Inventory Tool:** Responses will be included in each department's Annual Progress Reports beginning in March 2022. The Annual Progress Reports will be submitted to the Mayor and Board of Supervisors.

If desired, ORE can host a session for you and your staff to learn more about the tools and provide input at your convenience. Thank you for your support as we continue an intentional journey towards racial justice in San Francisco.

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APPENDIX A

Racial Equity Budget Assessment Tool: **Program/Initiative**

This worksheet provides a structured format for your department to reflect on as you describe how an individual program/initiative will achieve racial equity goals. It is designed to be used as part of an *intentional process* as well as to become a *product*.¹

- **Process: Draft and revise responses to this worksheet** as your department considers how to design or improve a program/initiative to close racial disparities, especially any disparities that exist within or that may be worsened by your services or policies. Use the sections of this worksheet to facilitate discussions with staff and community members who are directly involved or affected.
- **Product: Provide a final version of this worksheet** to policymakers to help them understand how the program/initiative will affect communities of color, and to inform their decisions about the City and County of San Francisco’s budget.

Be as specific as possible in your responses about *who* and *where* (e.g. racial/ethnic demographics, neighborhoods). Include detailed quantitative or qualitative data. If such data is unavailable, please include a plan for how the department will gather the data, what you hope the data will explain, and who will be responsible for it.

Guiding principles for racial equity in budgeting is available as a [memo](#) and [presentation](#). As you use this worksheet, please reach out to the San Francisco Office of Racial Equity for detailed guidance, working sessions, and to provide ideas for improvements. This worksheet will be piloted through 2022 and revised based on learnings from your department and other City departments.

Department	
Program/initiative title	

Section 1. Department mission alignment

Department mission statement <i>What is your department's overall mission statement?</i>	
Program/initiative description <i>Summarize the initiative, including how it fits within the department's overall mission</i>	

¹ City of San Antonio Budget Equity Tool, 2021

Section 2. Racial equity alignment

<p>Activities and beneficiaries</p> <p><i>What parts of the initiative are intentionally designed to close disparities for and/or center the needs of specific communities? What demographics and neighborhoods?</i></p>																												
<p>Citywide/community indicators</p> <p><i>What conditions or disparities is this initiative intended to help improve? How will you know if they are changing?</i></p>	<table border="1"> <thead> <tr> <th data-bbox="545 581 1281 667">City/community indicators</th> <th data-bbox="1281 581 1427 667">Currently tracked?</th> </tr> </thead> <tbody> <tr> <td data-bbox="545 667 1281 722">1.</td> <td data-bbox="1281 667 1427 722"></td> </tr> <tr> <td data-bbox="545 722 1281 777">2.</td> <td data-bbox="1281 722 1427 777"></td> </tr> <tr> <td data-bbox="545 777 1281 835">3.</td> <td data-bbox="1281 777 1427 835"></td> </tr> </tbody> </table>				City/community indicators	Currently tracked?	1.		2.		3.		<p>Data and reporting gaps <i>Description</i></p>															
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<p>Program/initiative performance measures</p> <p><i>How will you measure the quality and quantity of your effort? How will you measure whether people are directly better off as a result of participating in this initiative?</i></p>	<table border="1"> <thead> <tr> <th data-bbox="545 1026 935 1142" rowspan="2">Program/initiative performance measures</th> <th data-bbox="935 1026 1065 1142" rowspan="2">Currently tracked?</th> <th data-bbox="1065 1026 1187 1081">Baseline</th> <th colspan="2" data-bbox="1187 1026 1427 1081">Targets</th> </tr> <tr> <th data-bbox="1065 1081 1187 1142">FY22</th> <th data-bbox="1187 1081 1300 1142">FY23</th> <th data-bbox="1300 1081 1427 1142">FY24</th> </tr> </thead> <tbody> <tr> <td data-bbox="545 1142 935 1197">1.</td> <td data-bbox="935 1142 1065 1197"></td> <td data-bbox="1065 1142 1187 1197"></td> <td data-bbox="1187 1142 1300 1197"></td> <td data-bbox="1300 1142 1427 1197"></td> </tr> <tr> <td data-bbox="545 1197 935 1251">2.</td> <td data-bbox="935 1197 1065 1251"></td> <td data-bbox="1065 1197 1187 1251"></td> <td data-bbox="1187 1197 1300 1251"></td> <td data-bbox="1300 1197 1427 1251"></td> </tr> <tr> <td data-bbox="545 1251 935 1312">3.</td> <td data-bbox="935 1251 1065 1312"></td> <td data-bbox="1065 1251 1187 1312"></td> <td data-bbox="1187 1251 1300 1312"></td> <td data-bbox="1300 1251 1427 1312"></td> </tr> </tbody> </table>				Program/initiative performance measures	Currently tracked?	Baseline	Targets		FY22	FY23	FY24	1.					2.					3.					<p>Data and reporting gaps <i>Description</i></p>
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1.																												
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<p>Transparency</p> <p><i>What information has been or will be provided to the public? In what format and languages?</i></p>																												
<p>Decision-making</p> <p><i>What decisions about this initiative will be made by staff, and at what level? What decisions will be made by community members?</i></p>																												

Section 3. Budget Proposal

Investments and spending <i>Planned spending by fiscal year, FTE, contracts. Separate equity-specific resources or expenditures as their own line items and describe in the notes</i>		<i>Baseline</i>	<i>FY23</i>	<i>FY24</i>
	Budget			
	Contract (\$) FTE Other			
	Spending to date			
	Contract (\$) FTE Other			
Notes <i>Description, starting fiscal year, equity-specific resources, etc. State whether you are requesting additional budget or proposing to shift funding or re-allocate resources from another program to fund this initiative.</i>				

Section 4. Timeline

Timeline <i>Main activities by quarter</i>	
Reporting	Frequency <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually Format <input type="checkbox"/> Meeting with _____ <input type="checkbox"/> Memo

Version: December 31, 2021

APPENDIX B

Racial Equity Budget Assessment Tool: **Department Inventory**

This appendix provides an overview of the fields in the Department Inventory spreadsheet. Departments should ensure that all of the activities, functions, and services in their ongoing operating budget (consistent with eTurn reports) are captured in the spreadsheet. Departments should work with their Racial Equity Leaders and ORE to determine which activities, functions, and services to condense into a single line item, and which to expand into multiple line items. The spreadsheet will be piloted as part of the 2022 Departmental Racial Equity Progress Reports to meet legislated requirements for every department to report on the status of racial equity in their provision of services.

Part 1. Department Racial Equity Priorities

What are your department's priority issue areas for closing racial disparities that exist within your services, practices, policies, and workforce?
1.
2.
3.
4.
5.

Part 2. Department Inventory

Section	Field	Purpose
Name and description of each line item	Name of activity, function, service, program, or initiative (text)	Basic identifying information about activity

	Brief description of purpose (text)	Basic description of activity
	Internal or external service(s) (dropdown)	Enable assessment of activities by service type
Overall resources for each line item	Total FTEs and/or budget (number and text)	Enable assessment of proportion of the department's resources allocated to this activity
	Funding sources (dropdown and text)	Enable assessment about whether there may be funding-related restrictions on the activity
	Names of contracted providers or consultants, if any (text)	Enable assessment about entities that may be responsible or involved in implementation of the activity
Racial equity alignment of each line item	Department priority equity issue areas (dropdown linked to Part 1)	Enable assessment of what proportion of the department's resources are specifically intended to close racial equity disparities within its services, practices, policies
	Locations (dropdown)	Enable assessment of neighborhood(s) access to activity
	Open to general public or application/referral required (dropdown)	Enable assessment of process access to activity
	Number of people served (text)	Enable assessment about who has applied and/or is being served, and whether this data exists
	Racial/ethnic and other demographics of people served (text)	Enable assessment about who has applied and/or is being served, and whether this data exists
	Community information and decision-making opportunities (dropdown and text)	Enable assessment about who is receiving information and participating in decision-making
Racial equity specific resources for each line item	FTEs and/or budget specifically for racial equity improvements (number and text)	Enable assessment of what proportion of the department's resources are specifically intended to close racial equity disparities within its services, practices, policies
	Names of contracted providers or consultants for racial equity improvements, if any (text)	Enable assessment about entities that may be responsible or involved in closing racial equity disparities within the department's services, practices, policies