



**NORA VARGAS**  
**VICE-CHAIR**  
SUPERVISOR, FIRST DISTRICT  
SAN DIEGO COUNTY BOARD OF SUPERVISORS  
**AGENDA ITEM**

COUNTY OF SAN DIEGO

2021 MAR 29 PM 12:19

CLERK OF THE BOARD  
OF SUPERVISORS

**DATE:** April 6, 2021

**21**

**TO:** Board of Supervisors

**SUBJECT**

**FRAMEWORK TO ESTABLISH BUDGET EQUITY PRINCIPLES TO GUIDE THE DEVELOPMENT OF THE SAN DIEGO COUNTY'S ANNUAL BUDGET (DISTRICTS: ALL)**

**OVERVIEW**

County government is charged with providing critical community services and failing to assess and address the needs across different communities can have serious consequences for the people we serve. Recent efforts by the Board of Supervisors have established the County's commitment to advance equity and work towards the elimination of disparities that have impacted our communities for so long, especially our low-income and communities of color.

The County of San Diego's annual Operational Plan demonstrates our priorities as an institution. The budget development process, which includes creation, review, and adoption of a multi-billion-dollar budget, offers an opportunity to embed equity into our decision-making and operations. The creation of a countywide Budget Equity Assessment Tool would institutionalize and advance equity in our County and enhance our ability to serve the needs of impacted communities, especially low-income communities, and communities of color.

This Equity Assessment Tool would provide a strategy and framework for County departments to identify and address inequitable policies, procedures, and outcomes. This tool should be developed through a cooperative process that engages County staff from all departments, community stakeholders and County Supervisors, and should focus on four components: (1) applying an equity lens for all departments (2) utilization of department specific equity data (3) strengthen community engagement and (4) ensuring accountability.

Today's action directs the Chief Administrative Officer to establish a Budget Equity Assessment Tool to guide the annual budget process and advance equity in San Diego County. The Assessment Tool shall be implemented for the Fiscal Year 2022-2023 annual budget and a draft of the tool, shall go before the Board of Supervisors within 180 days for consideration and final approval prior to its implementation.

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I strongly urge your support for the recommendations in this letter to ensure that funding allocations during the budget process are spent in an equitable matter to help reduce the longstanding disparities that exist in our County.

**RECOMMENDATION(S)  
VICE-CHAIR NORA VARGAS**

Direct the Chief Administrative Officer (CAO) to:

- 1) Work with the County District 1 Office, Budget Office, Office of Equity and Racial Justice and other appropriate County departments to:
  - i. Establish a Budget Equity Assessment Tool to incorporate equity into the budget development process and day-to-day operations of County of San Diego Departments, with an implementation date for the Fiscal Year 2022-2023 budget process. This tool should be applied annually by department leadership and financial staff as budget proposals and business plans for the following fiscal years are crafted. Guiding principles should include, but not limited to the following:
    - i) Evaluate whether and how budget requests either advance equitable outcomes for residents in the County or exacerbate inequality, especially for low-income and communities of color.
    - ii) Ensure that programs, services, and investments help reduce disparities throughout the County.
    - iii) Increase opportunities for community engagements to be part of the budget process.
- 2) Work with the Transparency Advisory Committee and Fiscal Realignment Advisory Committee, established on January 12, 2021, to identify priorities of the Board of Supervisors that should be reflected in the Equity Assessment Tool.
- 3) Designate staff from the Office of Equity and Racial Justice and County Department of Human Resources, Equity, Diversity, and Inclusion Division to coordinate with the Transparency Advisory Committee and Fiscal Realignment Advisory Committee and serve as a resource to County Departments during the creation and implementation of the tool.
- 4) Reevaluate the existing performance measures and strategic goals for every County department to incorporate equity-driven metrics.
- 5) Ensure all budget proposals consider department-specific data that is disaggregated, included but not limited to race/ethnicity and income level to support the department in determining the impact of proposed plans, programs, and services to inform the budget decision. Where such data is not available, direct County staff to begin collecting and tracking these data.
- 6) Require that all proposals put forward after the adoption of this board letter must include an Equity Impact Evaluation as part of the proposal.

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- 7) Report back to the Board of Supervisors within 180 days with a draft of the tool. Create a community workgroup to provide feedback on the draft equity tool. Upon completion of the community workgroup and incorporation of their feedback, the final Budget Equity Assessment Tool shall return to the Board of Supervisors for final approval, prior to an implementation for the Fiscal Year 2022-2023 budget.

**FISCAL IMPACT**

There is no fiscal impact associated with these recommendations.

**BUSINESS IMPACT STATEMENT**

N/A

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

Every year, the County Board of Supervisors considers and adopts the Operational Plan, which provides the County's detailed financial recommendations for the next two fiscal years. The Board adopts the first year as the County's budget and approves the second year of the plan in principle for planning purposes. While the current budget process is currently underway for Fiscal Year 2021-2022, it is critical to work on the establishment of a Budget Equity Assessment framework to guide the development of future budgets for the County of San Diego, with an implementation date for this tool for the Fiscal Year 2022-2023 annual budget process.

Through various actions, recently the Board of Supervisors has taken steps to ensure that equity is at the forefront of our municipality's policy decisions. In this past year, with the COVID-19 pandemic underway, it has caused major impacts in our County, further exacerbating existing disparities. In response to the pandemic, the Board approved a resolution titled "Framework for our Future: A Collaborative, Data Driven, and Equitable Response to COVID-19 in San Diego County," which reoriented and restated the County's response to COVID-19, using a data-driven response and emphasizing a more equitable response to the pandemic by prioritizing future funding using a health equity lens, when appropriate. As we continue to grapple with the impacts of the COVID-19 pandemic and work on economic recovery, it is imperative now more than ever for equity to be integrated as part of the budget process. Placing equity at the forefront of the County's budget priorities is key to ensure that as a County we are investing our resources on programs, initiatives, services, infrastructure needs, etc. in an equitable manner to help uplift our most vulnerable communities and reduce longstanding disparities, that have been further exacerbated by the COVID-19 pandemic.

The creation of this Budget Equity Assessment Tool will provide County departments with a uniform way to examine if proposed budget requests whether its increasing, maintaining, or reducing service levels and programs would help advance equity in the County, reduce disparities or create burdens, especially in low-income or communities of color. This tool would

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be centered around four main components: 1.) applying an equity lens 2.) equity data driven 3.) strengthen community engagement and 4.) ensuring accountability.

Under the first component, budget requests are evaluated with an equity lens to assess whether the budgetary ask would benefit or burden communities, especially disadvantage communities in the San Diego County. Through a series of questions, this tool would provide departments the mechanism to make this assessment. Questions for this assessment can include, but not limited to:

- How have you maximized considerations of equity in the department's base budget?
- What are the recurring funding gaps/limitations in the department's overall budget preventing the department from advancing equity?
- What disaggregated data was used to prioritize and develop the budget proposal?
- What areas of the San Diego County will be impacted by the proposed program or service and is there a larger than average population of people of color in those areas?
- How has the community engaged with your requested budget?
- How will the department use disaggregated demographic data to help inform recruitment, retention, and promotion efforts for staff of color, including entry level, part-time staff, etc.?

The second component of the budget equity tool calls for the use of department-specific data that is disaggregated including but not limited to race/ethnicity and income level to help inform the department in determining the impact of the proposed budget. Community engagement is another important component of the budget equity tool, to ensure that those impacted or who have not previously been involved are part of the budget process and voice their priorities and concerns. Lastly, accountability is critical to ensure that budget allocations and investments are advancing equity. To ensure accountability as part of the budget equity tool, County departments should reevaluate their existing performance measures to ensure that they incorporate equity-driven metrics that will allow us to assess whether we are advancing and making progress with achieving equitable goals and reducing disparities in San Diego County.

This kind of budget equity tool is not a new concept. Multiple municipalities throughout the United States such as the City of San Antonio, Santa Clara County, among others have established these frameworks referred to as Budget Equity Tools (BETs) or Budget Equity Assessment Tool to guide the budget process. San Antonio for example, uses the city's budget equity assessment tool to determine how budget requests or decisions might benefit or burden communities of color. Through this mechanism, it aims to evaluate how projects, programs, plans and proposals may improve equity in service delivery and community participation. The City of San Antonio has also developed the "Equity Atlas," which is a tool that city staff, community members, partners, and other decision makers can use to help ensure that they are making data-informed decisions that address disparities across a variety of indicators and improve access to opportunity for all San Antonio residents. As the County of San Diego works on developing its own Budget Equity Assessment Tool, it should refer to existing models from other municipalities to help shape its own model.

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The establishment of this budget equity assessment framework is intended to serve in conjunction with previous efforts set forth by the Board to achieve equity in the County. As such, the Office of the Equity and Racial Justice would serve as a resource and work collaboratively with other County departments to ensure that budget proposals are being considered through an equity lens. Furthermore, earlier, this year the Board voted to create the Transparency Advisory Committee. One of the responsibilities of this Advisory Committee is to provide recommendations on ways to enhance Board and stakeholder engagement on important subjects, including the County's budget process and Board meetings. One of the components of the budget equity tool is to ensure that there is strong community input during the budget process. This component of the budget equity tool that calls for community engagement should be something that the Transparency Advisory Committee collaboratively works with the Chief Administrative Officer (CAO) to come up with a strategy that strengthens and fosters community engagement during the budget process.

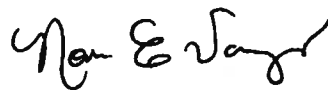
The goals of the Budget Equity Assessment Tool are to assess our approach to achieve more equitable service levels across all communities in the County, especially those that have been disenfranchised and underserved and intentionally track the impacts of budget requests to be able to effectively implement changes in the short and long-term to address longstanding disparities. As the County continues to work on achieving equity and community needs continue to evolve, this tool should be periodically assessed to ensure that we are properly assessing and tracking our progress towards achieving equity.

I urge you to support the actions before you to direct the Chief Administrative Officer (CAO) to work collaboratively with County department staff to establish a Budget Equity Assessment Tool that creates a framework for advancing equity through the budget process and return to the Board with a draft within 180 days and conduct a community workshop to receive community input and incorporate the feedback into the tool. This action also requires for the final framework to go before the Board of Supervisors for approval before it is implemented for the Fiscal Year 2022-2023 budget cycle.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed actions supports the County's 2021-2026 Strategic Plan objectives of Building Better Health, Operational Excellence, Living Safely and Sustainable Environments/Thriving Communities, by ensuring that equity is at the forefront for all our services and programs so residents can thrive in San Diego County.

Respectfully submitted,



NORA VARGAS  
Supervisor, First District

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**ATTACHMENT(S)**  
N/A

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**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**       Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**

N/A

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Supervisorial District One

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

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