Opportunities to Embed Racial Equity in California State Government

Prepared for The Public Health Institute’s State of Equity by

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Executive Summary

“Power without love is reckless and abusive, and love without power is sentimental and anemic. Power at its best is love implementing the demands of justice, and justice at its best is power correcting everything that stands against love.” -Dr. Martin Luther King, Jr.

Recommendations:
1. **Require a Racial Equity Budget Tool as part of an enhanced state government budget process.** Each state-level agency should train on and develop racially equitable budget proposals in alignment with state- and department-defined racial equity and reparations goals and submit these proposals as a required part of the state budget process. The assessments should then be analyzed and enforced with robust feedback processes by Department of Finance fiscal analysts and racial equity practitioners using reparations and racial equity lensing.

2. **Establish a resourced, dedicated, permanent Office with the mission of coordinating across the enterprise to build capacity and ensure continuity, accountability, and sustainability across all of state government for racial equity.** In order for the state government to function in alignment with racial equity and reparations values and produce racially equitable outcomes, State of California employees must develop racial equity and reparations capacity and competency in racially equitable, reparative budget and policy development and implementation, and decision making. The Office should provide guidance and leadership to state entities on promising practices and strategies.

Community organizations have advocated for racial equity changes to California’s State Government priorities, practices, and policies for decades. In September, 2022, Governor Gavin Newsom took a step in this direction by signing Executive Order N 16 22, or “the Equity EO.” The EO directs all state agencies to pursue institutional transformation to advance racial equity, including development of data and analysis tools, changes to policies, budgets, and programs to address disparities, and enhanced community engagement and input. Two of the mandates are addressed in this report. First the EO requires the Department of Finance (DoF) to embed racial equity into the state budget process, and second, it requires the Office Planning and Research (OPR) to develop California’s State Government Racial Equity Framework.

The findings of research I conducted specifically to inform California’s racially equitable future that analyzed and measured international racial equity praxis in government jurisdiction lead me to recommend implementing best practices shown to operationalize and affect distributional and procedural equity, and create processes that are sustainable, accountable, and measurable.

The executive order has the potential to significantly improve racial equity outcomes for Californians, and the level of impact will depend upon how the order is implemented. If properly designed and implemented, the Governor’s directives could promote racial equity in state government hiring, for example, or foster racial equity in state government service delivery. Unfortunately these salutary outcomes are far from guaranteed. In practice, "embedding racial equity into the state processes” could mean “window dressing” without key success factors. An example of implementation with little hope for
meaning transformation would be the distribution of non-binding guidelines, or a requirement that agencies fill out a short form about racial equity, without effective resources to support training for staff or robust review of submissions and subsequent prioritization of equity-resulting proposals.

Given the opportunities posed by this EO, as well as the risks of insufficient attention to implementation, I have gathered input from a wide range of stakeholders both inside and outside of government, and conducted a national scan of budget equity approaches, in order to develop recommendations for California. My research includes a review of related efforts in other U.S. jurisdictions, Canada, and Scotland—some of which succeed in advancing racial equity, others of which do not—as well as projections of how racial equity outcomes might change under various scenarios, with a focus on racial equity budget and policy frameworks, public involvement, contracting and procurement, data collection, planning (programs, project selection, level of services standards, etc), hiring, and training and technical assistance.

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**Background**

**Methodology**

This report analyzes over 20 Jurisdictional Interviews (cities, counties, states, and countries), 30 Racial Equity Frameworks/Budget Tools, and more than 40 Key Informant Interviews (California government stakeholders, racial equity experts).1

Frameworks are analyzed based on the following criteria capable of producing racial equity outcomes:2

- **Procedural Equity**
  - Spending goals tied to performance measures of “better-off”/benefit impacts
  - Utilization of effective frameworks and processes
  - Decision making accounts for and produces greater equity

- **Distributional Equity**
  - Equitable distribution of resources, services, contracting, hiring, and procurement
  - Data-driven distribution
  - Allows for targeting of resources, services

- **Sustainability**
  - Durability of the process

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1 See Appendix III for Comparative Analysis Data
2 See Outcomes Matrix in Recommendations section
- Policy infrastructure in place
- Fidelity to Racial Equity principles
- Sufficient quantity of dedicated, specialized staff for racial equity procedures
- Dedicated resources for sustained development of staff learning
- Ability to affect equity in staff roles
- Philosophical and technical assistance during fiscal cycle and daily operations

- **Accountability**
  - Data-driven; data includes community voices with lived expertise
  - Transparency
  - Community is visible, heard, and empowered
  - Inter-department collaboration
  - State agency/community collaboration and relationship
  - Enforcement

- **Evaluation**
  - Structured review and feedback processes linked to framework/tool
  - Clear expectations with examples
  - Sufficient technical assistance
  - Analysis of disaggregated data
  - Need-based Scoring
  - Internal vs. external review body
  - Measurement of effects
  - Measurement of department racial equity progress

**Limitations for this study**

To my knowledge, this is the most extensive analysis of national racial equity frameworks and budget tools in the country. The state of California is embarking on groundbreaking work to dismantle racism and its systemic and institutional outcomes, and like all trail-blazers, it is going into unknown territory. The development and implementation of sustainable, effective practices are complex and will take some time to resolve.

Given how new it is for governments to adopt or even consider budget equity practices, there is not much information available in terms of longitudinal implementation or measurement of outcomes. Most jurisdictions describe the process as “learning as you go.”

It was necessary to search far and wide, and each key informant opened doors to new areas of thinking and inquiry, very little of which is documented in published literature or public documents. As such, the research and analysis necessary could have easily required the capacity of a team of racial equity analysts engaged in long term study. To produce this study in five months, I've relied upon the abundant generosity of people truly passionate about actualizing racial equity in California and around the world.

However, some stakeholders were unable to respond to interview requests and some critical information may be missing from public facing websites. My analysis is, therefore, complete to the extent possible given time and information accessibility constraints. In spite of these obstacles, the recommendations throughout this report are robust and based on extensive research and interviews with government entities.
available during my contracted timeline. My hope is that the work will be built upon by many others to come.

Racial Equity Action Plans, Tools & Toolkits, Frameworks, and Impact Assessments

Among approaches to racial equity transformation, there are action plans, strategies, tools, toolkits, impact assessments and frameworks. They may be used to organize government priorities for budget, program and policy analysis, and they can be used for overall equity goals-setting. The terms may be used interchangeably but they are distinct.

**Action Plans**

Regardless of jurisdictional structure, action plans set out broad, entity-wide goals and values, situate the government entities and the general public to the, and may or may not outline action steps forward to varying degrees. Strategies are similar in their broad application but tend to focus on detailed processes outlined in action plans, and may provide methodology, funding streams for implementation, and measures of success.

**Tools & Toolkits**

These tend to be documents from ~2-16 pages used at the department level. They are utilized by fiscal and state agency staff, and, most often, by racial equity staff/practitioners as evaluation tools for department policy and budget proposals. Most often, racial equity staff use the tool and provide holistic analysis of the submissions that utilize disaggregated data in partnership with fiscal staff in the budget cycle.

**Frameworks & Impact Assessments**

These tend to be similar to toolkits/tools, but they can be more like broad equity action plans. For the purpose of this report, frameworks are tools, toolkits, and assessments.

In this study, I analyze only budget and policy frameworks in government jurisdictions. Where broader action plans are analyzed, it is only in the presence of budget and policy-specific language or mechanisms relevant to California State directives. Frameworks are most effective when they are holistic including a routinized document, evaluation, and accompanied by universal racial equity coaching.

Organizations that lead in Government racial equity transformation agree that frameworks are a critical piece of structure and systems change when used simultaneously with continuous racial equity education and training. They provide basic frameworks (below) referenced in most American jurisdictions doing racial equity work.

- Government Alliance for Racial Equity
- O&G Racial Equity
- Equity and Results
- Public Health Institute
- Race Forward
● Anna E Casey Foundation
● The People’s Institute for Survival and Beyond
● CCORE and State of Equity

Founded in 2010, the State of Equity and California Collaborative on Racial Equity, builds racial equity capacity with over 40 California entities and more than 400 employees to bring “health, racial equity, and environmental sustainability to the forefront of public institutions in California.” It is in partnership with GARE, the Strategic Growth Council, and Race Forward. As such, it is situated as a leading educator and capacity builder for California’s entities providing critical infrastructure to the state.

GARE, Race Forward, and the Anna E. Casey Foundation developed the following foundational characteristics of racial equity frameworks implemented by most jurisdictions studied in the United States.³

Visualize
● Lead with values developing a shared vision of change
● Communities of color lead the way, guiding visions and values
● Championing the values of equity, justice, and participation
● All public servants are able to articulate what racial equity would look like in their sphere of work

Normalize
● Use frameworks so that staff develop and implement a shared understanding of individual, institutional, and systemic racism, government role.
● Operate with urgency and accountability; create clear action plans with built-in institutional accountability mechanisms

Organize
● Build organizational capacity; build infrastructure that creates racial equity experts and teams throughout local and regional government.
● Partner with other institutions and communities: The work of government on racial equity is necessary but not sufficient. To achieve racial equity, the government must work in partnership with communities and other institutions to achieve meaningful results.

Operationalize
● Implement racial equity tools: Racial inequities are neither natural nor random—they have been created and sustained over time. Inequities will not disappear on their own; tools must be used to change the policies, programs, and practices that perpetuate inequities. Using this “Focusing on Racial Equity Results,” along with other tools, such as our Racial Equity Tool, will help us to achieve better results within our communities.

● Be data-driven: Measurement must take place at two levels—first, to measure the success of specific programmatic and policy changes, and second, to develop baselines, set goals, and measure progress towards goals. It is critical that jurisdictions use data in this manner for accountability.

Basic Elements of Racial Equity Frameworks Include:

1. **Proposal**: What is the policy, program, practice or budget decision under consideration? What are the desired results and outcomes?

2. **Data**: What’s the data? What does the data tell us?

3. **Community engagement**: How have communities been engaged? Are there opportunities to expand engagement?

4. **Analysis and strategies**: Who will benefit from or be burdened by your proposal? What are your strategies for advancing racial equity or mitigating unintended consequences?

5. **Implementation**: What is your plan for implementation?

6. **Accountability and communication**: How will you ensure accountability, communicate, and evaluate results?

**Executive Order N 16 22**

EO N 16 22, a momentous accomplishment for the state of California, is an important step for racial equity government transformation. It includes key mandates at critical government intervention points. My recommendations respond to the following summarized mandates:

- All state agencies make necessary plans and changes within their purview to advance equity and address disparities with the inclusion of impacted community input and data tools
- CalHR develop and analyze disaggregated workforce data
- All state agencies increase access to Infrastructure Investments and Jobs Act funds small and disadvantaged businesses
- ODI develop data equity standards for disaggregation and analysis, and assist in agency equity practices
- OPR to form a Racial Equity Commission that will develop statewide racial equity framework

“Relying upon publicly available information and data, the commission shall develop resources, best practices, and tools for advancing racial equity as follows:

i. in consultation with private and public stakeholders, as appropriate, develop a statewide Racial Equity Framework. The Racial Equity Framework shall be approved by the commission, submitted to the Governor and the Legislature on or after December 1, 2024, but no later than April 1, 2025, and posted to the commission's internet website. The Racial Equity Framework shall set forth the following:

1. methodologies and tools that can be employed in California to advance racial equity and address structural racism; and
2. budget methodologies, including equity assessment tools, that entities can use to analyze how budget allocations benefit or burden communities of color; and

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3. processes for collecting and analyzing data effectively and safely, as appropriate and practicable, including disaggregation by race, ethnicity, sexual orientation and gender identity, disability, income, veteran status, or other key demographic variables and the use of proxies; and
4. summaries of input and feedback from stakeholder engagements; and
ii. upon request by a state agency, provide technical assistance on implementing strategies for racial equity consistent with the Racial Equity Framework; and
iii. engage stakeholders and community members, including by holding quarterly stakeholder meetings, to seek input on the commission's work, as described; and
iv. engage, collaborate, and consult with policy experts to conduct analyses and develop tools, including by building on and collaborating with existing bodies, as appropriate; and
v. promote the ongoing, equitable delivery of benefits and opportunities by:
1. providing technical assistance to local government entities engaging in racial equity programming, upon request from the local government; and
2. encouraging the formation and implementation of racial equity initiatives by local government entities, including cities and counties; and
i. The commission shall prepare an annual report that summarizes feedback from public engagement with communities of color, provides data on racial inequities and disparities in the State, and recommends best practices on tools, methodologies, and opportunities to advance racial equity. The report shall be submitted to the Governor and the Legislature and shall be posted publicly on the commission's internet website. The first annual report shall be completed on or after December 1, 2025, but no later than April 1, 2026, and annually thereafter.”

Reckoning with California’s Historical Legacy

“Reparations for slavery and colonialism entail moral, economic, political and legal responsibilities.”⁵
- United Nations Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and racial intolerance

“Equality” is providing everyone the same, equal treatment. By contrast, “equity” creates paths to equal outcomes by recognizing that some people and communities have unequal starting points driven by different histories, historical treatment, circumstances, strengths, and needs. Through an equity approach, actions, policies, programs and procedures are shaped to address unequal starting points and drive equal outcomes so all Californians may reach their full potential.”
- Office of Governor Newsom, Internal Equity Memo ⁶

The state of California remains a settler colonial society with a long history of racial discrimination and violence. California entities govern land that was formerly Mexico and, before that, stewarded for thousands of years by hundreds of thousands of indigenous people who were then devastated by colonial practices and genocide. The State of California government is particularly responsible for political and

⁶See Appendix IV.
social harms that disproportionately negatively burdened Indigenous, Mexican, Black, Chinese, and Japanese, and Immigrant communities who are the recipients of state violence, austerity, disinvestment, and uneven access. Therefore it is absolutely essential that any and all efforts to advance racial equity include a reparations lens.

U. C. Berkeley Professor and founder of the Othering and Belonging Institute, john a. powell, says, “You can’t understand our economy. You can’t understand what’s happened with our environment. You can’t understand our past or future without understanding the role of race, the role of Native Americans, the role of immigration.” Structural racism operates to sort people on the basis of race into more or less disadvantaged communities, classes, neighborhoods and schools. Race is still how opportunity is distributed to people in America. This can be seen in the ways that BIPOC people still experience disproportionate unsafety, as well as experience barriers to wealth generation.

Amidst the transnational racial reckoning made more visible to non-BIPOC people by the public murders of George Floyd, Ahmaud Arbury, Breonna Taylor, and too many others, California meets the transformational moment built on decades of powerful justice-centered activism and community leadership.

California State entities make decisions with enormous resources impacting nearly 40 million residents. The State of California employs ~2 million positions making it one of the largest employers in the entire country. In 2023-2024’s budget cycle, facing a predicted $27.5 billion shortfall, the state will determine and prioritize $297 billion dollars in funds across the state.

Since its founding this country’s government decisions, practices, and policies have created inequitable outcomes for communities such that one’s race can be a determinant of health, economic and political standing, and wellbeing. Unfortunately, California faces these inequities alongside the rest of the country.

Racial Equity transformations in governments around the world are rooted in redressing past and present harms originating in slavery and colonialism; they are fundamentally reparations processes that include justice and accountability for historic harm, as well as eradicating persisting structures of racial inequality, subordination and discrimination constructed under slavery and colonialism depriving People of Color of their fundamental human rights. Slavery and colonialism were codified, protected by the Constitution, and robbed Black, Indigenous, People of Color of equal protection before the law on the basis of their race. Repairing the 8 As such, Racial Equity government work must develop and apply a reparation lens

California has the opportunity right now for racial equity transformation in state government. It hears demands from the community to redress past harms, mitigate current harms, and create a better future. California is rich with community leadership and wisdom to guide its processes and accountability in a

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new way. It already has growing capacity and leadership within the state government to help move towards a racially equitable state. For instance, CCORE is cultivating racial equity competencies across the government and the Governor is prioritizing appointments directly from Community Based Organizations and Advocacy. Community/advocates are organized, active, engaged, and paying attention. There’s new and growing pressure on the government to take action. Additionally, the state's Reparations Task Force is set to publish final recommendations in 2023 which can inform a reparations lens to California's racial equity framework and budget analysis.

Californians are more and more aware racism limits the effectiveness of government. The public understands that government missions, purposes, and goals have historically been linked to institutional and structural racism.

A Rationale for Equitable Budgeting: Cost-effectiveness and Competitive Advantage

“We believe we have a responsibility to address current events and to frame them with an economic lens in order to highlight the real costs of long standing discrimination against minority groups, especially against Black people and particularly in the U.S.” - Raymond J. McGuire, CitiGroup

In addition to the moral imperative, there is an economic one as well. If we avert the financial costs of racism and discrimination, money can go to more resources available for all of the services communities need and deserve. Some jurisdictions interviewed for this study stated that “standard” policies and bureaucratic structures like equal distribution and status quo-decision-making of resource allocation, procurement, or contracting may in fact be cost-inefficient and reduce competitive advantage. In very simple terms, when a department directs funds to historically higher-resourced neighborhoods and low-resourced communities equally, money allocated to the higher-resourced neighborhoods can be wasted, unspent, unnecessary and further unequitable conditions, environments, and outcomes.

Meanwhile, historically disinvested neighborhoods may require more services and provisions to achieve equitable opportunities, conditions and wellbeing. One solution in this example is to perform results-based assessments in the development of a budget request that analyzes historic development, community demographics, local resources or shortfalls, and specific needs of the community, then targets resources to geographic areas and demographic populations in most need and most negatively impacted by present and historic harm.

Furthermore, when the state of California includes and prioritizes diverse contractors in the market who’ve been historically excluded by bureaucratic requirements or discrimination, including women-, BIPOC-owned, small businesses, they bolster market competition and grow starved sectors. The California Department of General Services already prioritizes “diversity” in contracting with vendors and suppliers. This change presents an opportunity for more substantive policies in the future. Thoughtful

9 Ibid.
targeting of contracting could, in this way, be a cost-saving measure for the state while producing more equitable outcomes for all.

Racism and discrimination has lost the United States economy trillions of dollars. A 2020 CitiGroup study found that, just in the previous 20 years alone, anti-black discrimination by economic institutions resulted in a loss of $16 trillion dollars to the country’s gross domestic product. In 2020, the total gross domestic product of the United States was $19.5 trillion dollars. And CitiGroup estimates addressing racism in four key areas:

1. $13 trillion lost in potential business revenue due to discriminatory lending to Black entrepreneurs and 6.1 million jobs not created
2. $2.7 trillion in income lost due to wage disparities suffered by African Americans
1. $218 billion lost in the last 20 years due to discrimination in providing housing credit
2. $90 billion to $113 billion in lifetime income lost due to discrimination in accessing higher education.”

Glover-Blackwell et al,12 as well as others including economist, Sandy Darity Jr.,13 propose that America’s severe racial inequities are detrimental to the economy. It should be noted, Darity Jr.’s argument includes policy analyses of imperial colonial enslavement practices on black economies and the broader economy. According to both scholars, thriving and healthy BIPOC communities present a huge economic opportunity to create more businesses, more service users, and possess a significant competitive advantage in the market. The “potential gains are tremendous: Data in the National Equity Atlas show that our national GDP could be 14 percent or $2 trillion higher, if the wage disparity between White employees and employees of color was eliminated. The buying power of Black and Latino people has consistently risen since 1990, and by 2018 is estimated to be $1.3 trillion and $1.6 trillion respectively.”14

In sum, economic and social inclusion of communities of color yields opportunity for the whole economy.

Actualizing Racial Equity is Budgetary

On Reparations: “It is critical that we compensate, but not just compensate. We also need to evaluate


Deciding where and how to spend public dollars is the biggest choice the California State government makes. The budget of any entity is its moral statement, expressing directional values and attention to certain spaces and people at certain times. Public money touches every aspect of program development, operations, and implementation. Under current systems, resources are not equitably distributed nor equally accessed.

Historic and present fiscal decisions and priorities result in severe, racially disparate economic outcomes and social inequity for Californians. Therefore, California must make changes at key fiscal intervention points including the state agency level where programs and policies are developed and assessed and multiple points, in the Department of Finance where they are evaluated by fiscal analysts, and in the legislature where they are ultimately decided upon.

At the state agency level, department heads, secretaries, and staff lack sufficient context and tools for developing racially equitable outcomes in their daily operations. As the State of California prepares to receive the recommendations from the AB 3121 Reparations Task Force, there is a need for staff across all entities to understand and be prepared to implement budget & policy action from a reparations lens. They lack racial equity education on individual and structural racism and biases, understanding of the role of state entities to shape outcomes even in the presence of race-neutral policy, and standardized tools for making substantive changes to programs and policies including fiscal proposal development.

Before the proposal even reaches the Department of Finance’s Budget Change Proposal phase, it passes through multiple layers of assessment and prioritization at the department level. At these early stages, all parties lack racial equity and reparations lenses and tools for assessing equitable priorities and outcomes. At these stages, there is an opportunity to implement learning, technical assistance, and prioritization of equity. Racial equity incentives in evaluation metric may also result in swifter decision making or enhanced allocations based on racial equity metrics.

Nearly 200 fiscal analysts evaluate each budget proposal that makes their way into their offices. These analysts are responsible for determining fiscal feasibility and necessity. They presently lack the learning and tools to determine who will be benefited and who will be burdened by every proposal. Furthermore, they lack capacity to provide guidance and development alongside departments on racially equitable budget proposals.

Legislators approve or deny budgets at the highest level, making determinations influenced by budget and political climates. These actors similarly lack learning and tools to apply racial equity principles and priorities to fiscal approval processes. In interviews with racial equity practitioners, some suggest that legislators themselves lack trauma-informed, racial equity training to appropriately engage with highly challenging governance decisions. One solution to this comes from

> "An equitable budget is not necessarily one that provides equal funding--equity and equality are

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different. Rather, think about making sure outcomes are fair. Do whatever it takes—put whatever resources are needed—to see those outcomes. Greater investments will need to flow to particular places or groups.” -Wendy Ake, OBI

“Racial equity focuses on race extensively but not exclusively. In other words, the racial equity lens provides venues for dismantling a system of advantage based on race in efforts to assess the intersection points that shape the social condition and experiences of marginalized groups.”
-Michigan Racial Equity Toolkit

“When we ignore the challenges faced by the most vulnerable among us, those challenges, magnified many times over, become a drag on economic growth, prosperity, and national well-being.”
-Angela Glover-Blackwell

At its heart, “racial equity” is about fairness, freedom, and belonging; it is inclusive of all marginalized people. Whereas racialized communities have experienced great historic harm, centering racial equity centers communities most negatively harmed by government policies. Historic and current racial discrimination skew virtually all political, economic and social endeavors.

Policies that facilitated slavery, racial capitalism, political exclusion, Jim Crow racism, housing discrimination, and the prison industrial complex restrict and extract wealth from BIPOC communities and limit opportunities. These policies simultaneously privileged whiteness and generated prosperity for many white Americans at the expense of others. Actualizing racial equity generates health and wellbeing for all by analyzing present needs originating in disproportionate racial harm by the state, and targeting provisions and programs to lift everyone up to the same playing field.

**Strategies for Government Transformation**

Jurisdictions analyzed for this study utilize Targeted Universalism, The Curb Cut Effect, Collective Impact, and Results Based Accountability. They provide scaffolding for racial equity budget, policy, and program analysis. Incorporating racial equity into government operations and services improves quality and access for all, rejecting white supremacy culture, zero-sum policymaking.

Systems that are failing communities of color are failing all of us. **Targeted universalism** increases collective success by centering communities who are most negatively impacted. The targeted universalism framework creates society wide goals for all groups, then tailors solutions and strategies to affect the broad outcomes. The approach assesses groups included in the scope of the goals and greatest policy that meets them in their social, cultural or geographic positions. Positive outcomes are shared by all. It fundamentally challenges the traditional government game of zero-sums. Strategizing policies based on need in service to a whole-of-society outcome is more efficient and less costly because money is not wasted in areas of low need and high resources. It’s a process that moves all groups towards common goals.

**Collective Impact** is a commonly utilized structure for equity change. It relies on strong, shared vision for change, communication and coordination across broad ranges of stakeholders to work towards
common goals that yield better outcomes for all parties. It requires stakeholders to develop and implement shared values, metrics and mutually reinforcing actions with the support of specialized team members and organizations.

**Results-Based Accountability (RBA)** is a well-known tool for social change impact leaders that incorporates equity goal-setting with outcome metrics and integrates a scoring protocol for measurement. Philadelphia, among others studied for this report, consults with racial equity practitioners who utilize RBA to systematically analyze and score each budget proposal. In Philadelphia’s case, racial equity consultants Equity and Results is contracted by the city during budget cycles to provide technical assistance and training for all agencies. The scoring system measures identified equity metrics for projected impact magnitude of the proposals. City budget staff then use them as one piece of their analysis and approval process.16

The **Curb Cut Effect**17 is a social theory that comes out of the political activism of disabled communities who demanded basic access to public infrastructure. Before curb cutting, ramps onto and between sidewalks and streets, sidewalks were not accessible for people who were differently abled. Many struggled to negotiate high curbs such as people with children and strollers, people wheeling luggage, and workers pushing heavy carts. High corner curbs posed barriers to economic efficiency, transportation, and public safety, but also to full access of a social provision: the sidewalk. The curb cut effect demonstrates the ripple effects of targeted policy that opened access for everyone in the community. Society experienced increased accessibility, comfort and inclusion.

**Proposition 209 Strategies**

Nine states, California, Arizona, Florida, Idaho, Michigan, Nebraska, New Hampshire, Oklahoma and Washington, prohibit affirmative action. This presents a challenge to innovate ways for governments to measure and promote equity using non-racial factors, according to Stephen Menedian, affirmative action expert.

In California, voters passed Proposition 209. Prop. 209, constitutional amendment to Article I, Section 31, states that “The state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.”18

Although this proposition is often cited as a reason that the government cannot adopt racial equity practices, in fact the restrictions from the proposition are quite limited, and there are many actions that California government institutions can do to advance racial equity. For example, California government institutions may:

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16 Interviewed April 20, 2023.
18 California Proposition 209. [https://vigarchive.sos.ca.gov/1996/general/pamphlet/209text.htm#:~:text=(a)%20The%20state%20shall%20not,public%20education%2C%20or%20public%20contracting.](https://vigarchive.sos.ca.gov/1996/general/pamphlet/209text.htm#:~:text=(a)%20The%20state%20shall%20not,public%20education%2C%20or%20public%20contracting.)
- Collect and analyze disaggregated data where possible
- Target geographic areas and neighborhoods based on racial demographics for policy and program solutions
- Consider race at the community and individual levels by looking at regional demographics
- Create preferences for policies that have the potential for racially equitable outcomes as long as they do not name a racial group as a recipient of preferential treatment or specified percentages or dollar amounts

**Sample Policy Strategies:**
Whereas Proposition 209 prohibits preferential treatment of certain groups based on race in education, employment and contracting by the state, indirect approaches can still yield racially equitable outcomes. For example, in government contracting, where the state cannot not allocate certain percentages or dollar amounts for contractors of certain races or genders, they *can* make contracting more accessible to women- and BIPOC-owned small businesses. Similarly, the state may waive barriers and application hurdles for small businesses further enhancing diverse contracting practices.

According to Menedian, place-based policy approaches are one way to work with racial equity while avoiding affirmative action breaches. In 2020, he authored 5 broad legal remedies for the Bay Area. He argues that these tactics can achieve racially equitable outcomes based on what we know and understand about racial segregation and inequality without targeting a policy to a racial group. The first addresses restrictive land use laws. The second proposed rent control as a stabilization method for precarious families. The third poses the use of mobility strategies that can support opportunity migration. The fourth suggests inclusionary zoning can support integration. And fifth, offers affordable housing policies and housing subsidies. These five approaches are bolstered by creating original geographic and racial demographic data and analyzing it along with historic and present segregation trends and boundaries while avoiding racially specific beneficiaries. See comprehensive recommendations [here](#).

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**Findings**

**Summary**
The following are the result of research of government level best practices for operationalizing racial equity transformation tailored specifically to the State of California. Operationalizing this report’s recommendations requires:
Establishing a State Office Racial Equity; a capacious, dedicated entity with convening authority

- Provides capacity & competency building guidance to the enterprise
- Measures and evaluates agencies and racial equity progress
- Provides guidance on and elevates promising Community Engagement practices from across the enterprise
- Supports coordination across state entities developing data dashboard
- Provides strategic guidance and partnership to state entities for their racial equity development
- Co-develop and Co-implement budget tool with Department of Finance
- Provides technical assistance for Budget Tool for state staff
- Serves as technical advisor to Department of Finance in analyzing Budget Change Proposals
- Partners with Department of Finance on quality improvement & impact analysis of the Budget Tool
- Receives annual reports on department racial equity action plans
- Coordinates with Racial Equity Commissions and Reparations Task Force
- Staffing dedicated to racial equity capacity building, coordination and accountability
- Build out infrastructure comprised of experienced staff
  - Identify racial equity leads in each organization
  - Strategy team (executive level and/or positional authority)
  - Working groups of state staff
- Leads replicate model and affect racial equity impacts within department work
- Strategy team coordinates with Racial Equity Commission and Office of Racial Equity
- Teams, leads, and working groups
  - Collaborate in development of racial equity action plans
  - Implement priorities identified in racial equity action plans
  - Reporting progress and department needs to the Office of Racial Equity and Racial Equity Commission

Establish Racial Equity Budgeting

- The State’s budget processes must be racial equity budget processes
- Racial Equity Practitioners work with fiscal analysts throughout budget cycle
- Used at Agency, Department of Finance, and Legislative levels
- Required with every budget request
- Equity prioritization & incentives
- Stand-alone "tool" that includes:
  - Racial equity learning and orientation
  - Process instructions and expectations
  - Structured review processes
- Racial Equity questions that ask, for example:
  - Asks how the proposed budget request aligns with racial equity goals/plans
  - Asks how the proposed program/initiative improves racial equity
  - Asks who will be impacted, benefitted, and burdened
  - Asks what data was used to make projections and determine community need
  - Asks what ways impacted communities have been included in goal-setting & decision making
California Offices of Racial Equity

In the last few years, California has seen a proliferation of government positions and offices to advance equity, some with an explicit focus on institutional and structural racism. For example, these several California jurisdictions already have functioning Racial Equity or Diversity, Equity and Inclusion Offices, guiding state level development and implementation of racial equity leadership bodies. The following is list of found jurisdictions already forwarding racial equity through permanent government structural change.

- California Department of Public Health
- California Department of Transportation
- San Diego County
- Orange County Healthcare Agency
- Marin County
- City of Oakland
- Ventura County
- San Francisco
- City of Albany
- City of Long Beach
- Santa Clara County
- City of Los Angeles
- Orange County Healthcare Agency
- San Mateo County
- City of Sacramento
- Redwood City
- Sonoma County
- City of Fremont

State of California Entities with Racial Equity Action Plans

In the last few years, several California state departments have developed Racial Equity Action Plans, resulting from participation in the Capitol Collaborative for Racial Equity. Many of them are internal documents, or still works-in-progress, but five California agencies have published their Racial Equity Action Plans publicly. Although this is a small group, these state entities have demonstrated leadership in state government racial equity practice. Below is a systematic review of characteristics of their Racial Equity Action Plans.

- California Department of Water Resources Racial Equity Action Plan 2022
- California’s Strategic Growth Council Racial Equity Action Plan (2019-2022)
- California Environmental Protection Agency Plan of Action for Racial Equity
- California Water Board’s Racial Equity Initiative
- California Department of Transportation Race & Equity Action Plan

Summary highlights from REAP's developed following participation in CCORE

A review of the 5 public REAPs found significant variation between plans, with some commonalities as well.

- Use “Racial Equity”
- Define “Racial Equity”
- Recognize Tribal Sovereignty
- Name Community Engagement as a
Priority
- 1 Provides Glossary of Equity Terms
- 5 Name equity in Hiring and Recruitment as a Priority

- 1 Names pay equity as a priority
- 3 Name Equity Training as a Priority
- 2 Use /Provide Data Resources

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<thead>
<tr>
<th>COORE Cohort REAPs</th>
<th>“Racial Equity” Language</th>
<th>Define Racial Equity</th>
<th>Prioritizes CA Tribal Engagement</th>
<th>Prioritize Comm. Engagement</th>
<th>Has Office of Racial Equity</th>
<th>Glossary of Equity Terms</th>
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A Global Movement for Racial Equity Policy Infrastructure
It is important to view California racial equity transformation alongside an international movement to address histories of systemic and institutional harm against Indigenous, Black, Asian, Latinx, and Immigrant communities. Following is a scan of policies, frameworks, and other practices on a global, national and state-government level.

**International Equity Policy**

Several national governments have been taking action to address past injustices and prevent future harms by changing practices so that governments can advance racial and other forms of equity.

Farthest along in national level racial equity transformation is the Republic of South Africa’s [National Action Plan to Combat Racism, Racial Discrimination, Xenophobia and Related Intolerance](https://www.gov.za/npa). Citing its human rights obligations, South Africa’s action plan creates a multi-sectoral approach and a basis for public policy development countering racial discrimination and brings stakeholders together in outcome-centered coordination to combat racism, xenophobia and intolerance. The action plan outlines responsibility for key “fault lines” along which the national state structure must repair relationships for past and present harms, such as land theft and violence, poverty, inequality, and unemployment, national institutions, education, knowledge production and decolonising the mind from systematic enforcement of racism over decades, social cohesion, public discourse and decolonising the mind from systematic enforcement of racism over decades, social cohesion, public discourse and xenophobia, discrimination-based on ethnic origin or gender and gender-based violence, prevention of LGBTQI violence and discrimination, memory and healing of state victims of apartheid and other violence, housing and income distribution, disability, and, finally, albinism.


Similarly, Scotland has developed its national [Race Equality Framework 2016 to 2030](https://www.gov.scot/). Though in its early implementation stage, it positions the work of race equality in external oversight and accountability over government practices and policies.

January 2023, the US, Canada and Mexico signed the [North American Partnership for Equity and Racial Justice](https://www.uscg.mil/News/MediaRoom/PressReleases/2023/01/73053.aspx), a follow up to the 2021 North American Leaders’ Summit. The international policy is a signed commitment to develop a “Trilateral Racial Equity and Inclusion Expert Network”, “affirmatively advance equity and racial justice”, and collaborate with Human Rights entities.

**Federal Equity Policy**

President Biden’s first and second executive orders on racial equity situate American governments to “advanc[e] equity for all, including communities that have long been underserved, and address systemic racism in our Nation’s policies and programs.”

At present, individual departments are independently developing equity action plans like [this one](https://www.state.gov) from the State Department that names “addressing systemic racism and strengthening democracy” as core tenets of US policy. Its authority is derived from the above-linked executive orders. The State Department’s plan is
comprehensive, expansive, and includes a framework for implementation and plans for tools for analysis. Their priorities include furthering equity in (1) foreign assistance, (2) foreign policy development and implementation, (3) public diplomacy, (4) consular services, and (5) procurement, contracts, and grants.

**State Level Equity Policy**

In 2019, Michigan Governor Gretchen Whitmer released Executive Directive 2019 09 on racial equity. The directive cites previous civil rights precedent for protections against discrimination based on sexuality and gender. Its rationale is rooted in the constitutional charge of Michigan’s government to institute “equal benefits, security, and protections” to all residents. Its 2021 Racial Equity Toolkit developed in part by the Michigan Department of Civil Rights is a comprehensive map providing clear avenues for statewide racial equity work.

The State of Washington just unrolled its newly legislated Office of Racial Equity in its Executive Branch established by Governor Inslee’s Executive Order 22-20.

**California Equity Policy**
On September 30, 2020 the Reparations Task Force of California, AB 3121, was created to address and recommend avenues for economic restoration to communities impacted by the ongoing effects of systems of enslavement perpetrated by the United States Government. In 2022, the Task Force released preliminary recommendations “requiring the Administration to include comprehensive racial impact analysis for all budget proposals and proposed regulations,” and “require legislative policy committees to conduct racial impact analyses of all proposed legislation and require the Administration to include a comprehensive racial impact analysis for all budget proposals and proposed regulations.”

In 2020, California-based advocacy groups including NextGen Policy and Greenlining Institute worked to legislate a “Racial Equity Commission” with SB 17. While SB 17 didn’t pass last session, Governor Gavin Newsom subsequently signed executive order EO N 16 22, outlining broad mandates to state entities to address equity, addressing policy outlined in the Racial Equity Commission bill.

The Governor’s executive order makes two key mandates:
1) The formation of a Racial Equity Commission and subsequent development and implementation of racial equity a framework for budget, policy, and program analysis
2) California’s Department of Finance amendment of guidelines for budget proposals requiring the inclusion of equity impact measures.19

In a confidential, internal equity memo to agency secretaries and department directors that immediately followed, Governor Newsom laid out the “importance of continued focus on equity and of the ability of

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government to improve opportunity and freedom to advance a California for All.” The memo contains four directives to address inequities across the state described as the results of historic government policy, the pandemic, income inequality, and racial injustice. Within the memo are the following requirements.

“REQUIREMENTS:
1) State Budget. The Department of Finance will embed equity within the state budget process through the Budget Change Proposal template. Beginning this year, State agencies and departments will be required to complete an equity analysis in their requests for new resources, as applicable.
2) Action Plans for 2023 Priorities. To advance the mission of all State agencies and departments, all organizations are directed to identify 3-5 top priorities for 2023 and the action plan to embed equity in those priorities with a framework involving demographic and geographic gaps, data tools, community engagement and initiatives. Please see Appendix A for the Action Plan Template and Appendix B for the instructions.
3) Governor’s Office Agency Meetings. Agencies are directed to participate in Governor’s Office (GO) convened meetings on the following topics. Many of these are existing meetings where equity will be newly included in the recurring agenda. These meetings, also known as “communities of practice”, are working groups to support knowledge sharing and best practices for advancing 2023 action plans and any additional equity efforts.
   • Policy & Program Actions • Operations • Civil Rights • Public Engagement • Public Awareness • Media Communications • Government-to-Government with Tribal Governments
4) Agency-Department Meetings. Agencies are directed to form their own Agency-level working groups or “communities of practice” with their Boards, Departments and Offices, by embedding equity in existing and new convenings that lead Agency-wide policies and programs, engagement, and operations, by December 2022. This information should also be captured on the Action Plan Template.

Necessary Components of Racial Equity Government Frameworks

Budgeting For Racial Equity

Key Takeaways from Interviews:
- Fiscal office culture contributes to inequities
  - Status quo bias
  - Number-centric vs Human impact-centric
- Begins in State Department daily practice and goal-setting
- Racial Equity learning and analysis must be applied at all levels, multiple intervention points
  - Department fiscal policy development stages
  - Department of Finance fiscal policy development stages
  - Legislative fiscal policy processes

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20 See Appendix IV for Memo
“One of the culture changes that affects policy change is recognizing fiscal offices are policy offices. When analyzing and responding to legislators, you can’t say “if you make X cuts you’ll save X amount of dollars next year if you do X.” Culture change is saying, “if you make X cuts, you won’t serve 100,000 children in the state and X percent is BIPOC children.” - Chris Hoene, CA Budget & Policy Center

“Equity isn’t just a vision or an outcome: equity is a process that runs through the everyday work of individuals, organizations, and governments. That means that everything we do and how we do it can support or undermine equity.” - Prevention Institute

Racial Equity Practitioners

Key Takeaways from Interviews:

- Capacity building is constant, iterative, and often
- Coordination/meetings move racial equity forward and expand it
- Dedicated Racial Equity staff and resources are required
- Racial Equity staff lead government racial equity work

“If there’s no Office of Racial Equity, and no budget appropriation, that means there’s little accountability about what has to happen every year.”

And:

“Current department staff already have full time jobs and they do not have time to do this work”

-Poppy Hernandez, Michigan Chief Equity & Inclusion Officer

Racial Equity Practitioners are particularly equipped to develop strategies tailored to the individual, systemic, and institutional level transformation in governance with knowledge and understanding of established praxis. They are equipped to possess and develop statewide cultural and racial equity competencies. Without specialized expertise in racial equity and diversity equity and inclusion, California state employees are less likely to unlearn lifetimes of explicit and implicit racism and bias.

Key Functional Attributes of Racial Equity Practitioners:

- Accountability to and for departments and leadership
- Coordination of learning and application processes and guidance in daily operations
- Evaluation of staff and processes in compassionate approaches of analysis and reporting
- Technical assistance to program, policy, and budget processes through racial equity and reparations lensing
- Conduct bridging between the rich and broad diversity of individual experience that staff bring to government agencies and between staff and government work

The position of racial equity infrastructure varies based on organizational structure and approach. For example in Nashville, Tennessee, The Office of Diversity, Equity and Inclusion is positioned within the city/county’s Office of Management and Budget, its fiscal analysis body. From that position, it is responsible for citywide capacity building, technical assistance, budget proposal evaluation and feedback, and work, in their words, “in complete alignment” with the OMB. Other jurisdictions position racial

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equity entities in stand-alone agencies that function similarly to the Nashville model and work in tandem with fiscal offices and staff.

In Washington and Michigan states, dedicated racial equity staff are responsible for the planning, development, and completion of racial equity state level work. Chief Equity & Inclusion Officer for Michigan, Poppy Hernandez, reports that after years of attempts to legislate budget appropriation for a state Office of Equity & Inclusion, the coming session may finally deliver. But in the meantime, she and Michigan’s Racial Equity Officers and Practitioners lead structured practices across the state’s entities building out employee capacity.

Washington State legislated its Office of Equity in 2022, stating “Equity requires developing, strengthening, and supporting policies and procedures that distribute and prioritize resources to those who have been historically and currently marginalized, including tribes.” The legislation acknowledges that equitable governance requires a dedicated, resourced, state level body to affect the kind of change required to produce equitable outcomes.

Racial Equity Lensing

Developing racial equity competency at the individual, institutional and structural level is the mechanism for culture change and effective budget, policy, and program analyses in government. Equity lensing is an action of analysis, reflection, and application developed through learning about racial equity, racism, bias, and governments’ historic role as creator and regenerator of inequities and the application of tools to make necessary changes to create racial equity.

Equity lensing lends to creating a consensus of understanding of key racial equity histories, policies, impacts and remedies. Equity lensing is a competency that staff engage in while working through program and policy development and proposals. This is both a capacity and behavior of visioning, that includes creative imagination, empathy, and integrated data and evidence to inform the process of government decision-making.

Applying A Reparations Lens

“Anyone that’s managed to have accumulated wealth in this country has benefited from racist systems.”
   - Kate Poole, Co-author of “Investing With a Reparations Lens”

“And

“Corporations and individuals built wealth by extracting wealth from their workers, the environment, and the community. Investing with a reparations lens means repairing the harm of this extraction. It means shifting away from transactional investments aimed at short-term monetary returns, and building long-term relationships with our communities, understanding what makes our communities thrive, and dedicating patient capital to the projects and enterprises that advance equity and redistribute wealth”

   - Sophia Leswing, Sustainable Economies Law Center

Reparations Lens is the application of reparations framing; a way of viewing, analyzing, assigning and accepting responsibility for, and repairing past injustices and systemic and institutional harms to Black, Indigenous, Latinx, Chinese, Japanese, People with Disabilities, and Trans-Queer communities. Applying a Reparations Lens to government policy, program, and budget processes requires the State Government
at all levels taking responsibility for past social, political, and economic harms, displacement, theft, violence, and abandonment conducted against any marginalized and impacted groups. The Reparation Lens seeks to effectively repair harm through economic, social, political, and health modes to restore negatively impacted groups to whole citizenship and opportunity.

Success Strategies - Canada

- Public Service leadership mandates department heads develop anti-racism education in the workplace
- Anti-Racism Secretariat works in lockstep with Public Service to create education and resources; build competencies and capacity
- Implements “intercultural development inventory” where certified racial equity practitioners within the department conduct a 1 year cultural competency measure. They use analyzable, measurable evaluation and monitoring. The process and results are confidential and protected. The process is ongoing and includes assessments, coaching and development. After a year, another assessment is conducted for departments and individuals to track progress.
- Self-Reflective Government: addressing role in race-making and racialized harm; introspection and acknowledgement of government positionality as oppressive body upholding white supremacist structures

Disaggregated Data

California residents are *time and space beings*. People inhabit bodies and regions of personal, social and political significance, each with complex histories, economies, climates, values and power structures. *For Indigenous communities whose connection to the land is of utmost significance, this is particularly important for the state to interrogate.*

Effective REBTs utilize disaggregated data as an impact analysis tool. Where a locale lacked disaggregated data dashboards, they reported they were in the process of development. Locales generally develop jurisdiction-specific data dashboards that are publicly available (ex. Nashville, Washington DC, Durham, Oakland, San Antonio, Marin, Dubuque, etc.), integrate geographic mapping. Some even have vulnerability coding/scoring (King County) that point to specific regions of need and historic, racial impacts based on past and present policy, income level, homeownership rates, wealth, health, and other racial and health indicators. The use of data is required by effective processes by the department in proposal development and analyzed by racial equity practitioners and fiscal analysts. Analyzing the policy through a geographic tool is important for several reasons:

1. Land is the site of home, wealth, health, education, community, nourishment, pollution, wealth, property, recreation, employment, transportational channels
2. Colonial state practices of occupation, displacement, genocide, commodification, and extraction deeply shape current landscapes and people who live there
3. Modern urban regions mirror scars of historic legal, racial boundaries, austerity, abandonment, violence, capitalism, imperialism, racism, white supremacy, patriarchy, and misogyny

Racial Equity Practitioners interviewed agree that budget and policy tools actualize equity, in part, through the use and analysis of disaggregated data from the beginning of proposal development in order to project outcomes, review submissions, and provide feedback. However, there is also a consensus among practitioners that data is only one tool of racial equity work with limitations.

Agencies and states rarely collect disaggregated data. They may, and do in several cases, develop their own discrete data dashboards with regional mapping and racial equity factors such as race, homeownership rates, income levels, and may integrate these onto historic maps that show redlining, climate change and pollution exposure, air quality, health care access, etc. Notably, states’ revenue agencies are likely to be unable to request racial demographic information from taxpayers due to privacy restrictions (See Oregon’s Department of Revenue Racial Equity Plan below). Oregon proposes a legislative change to allow taxpayers to voluntarily offer race and ethnicity information, but it is uncertain if that will pass.

There are, however, limits to what data alone can show us. Attorney Stephen Manendian\(^\text{22}\) classifies data collection and analysis as a “process-based”\(^\text{23}\) approach to addressing structural racism where more fundamental change is required like “institutional reforms, legal tweaks, or new programs or initiatives.” Collecting and analyzing disaggregated data is important for assessing baselines and projecting outcomes, but in itself is not an affectual change to entrenched legal and institutional structures. The process tends to analyze current disparities and fails to prescribe innovations that yield substantive reforms.

Oakland, developing a robust approach to racial equity budgeting, also views disaggregated data as a tool for analysis. But where departments may have access to sufficient data repositories, though the city is developing its own, it asks departments to lean into the process of qualifying racial equity budget proposals without data if necessary.

**Community Relationship and Inclusion**

Governments make decisions with public money and resources out of public view, with little inclusion of communities to bring their values, voices and lived experience to the process. Government has a long history of breaking trust with the communities it serves. Based on experts interviewed for this project, communities and advocacy organizations broadly express fatigue at the extractive nature of traditional government “community engagement” approaches via events, public meetings, and forums. Their time and energy is not compensated. Lasting relationships are not built. They see few, if any, results that their voices influenced decision making processes.

\(^{22}\) Interviewed April 20, 2023.

Building process-oriented relationships with impacted communities, stakeholders on policy is more efficient and effective than one-off events, or post hoc evaluations, or failing to fulfill promises and goals. Investment in policies that fail to produce a social good or cause harm are more costly in the long run and contribute to public distrust. Valuing community input from populations with lived expertise on even general goals and value-setting for California's budget decisions may generate fiscal efficiency overall.

There are flourishing approaches today in California and across the country responsive, inclusive, and empowering to communities that create direct input to budget and policy processes. The California Budget and Policy Center has recently released the Budget Power Project that will support California’s abundant community-based organizations at the local and regional level to engage with budget advocacy and organizing.

Participatory Budgeting is a growing governance equity mechanism wherein community members decide how to spend part of a public budget “giving people real power over real money.” One example in California of participatory budgeting is the county of Marin. Marin implemented participatory budgeting in 2023, allocating $2.5 million dollars (with intent to increase the pool) for community-valued and voted projects. Marin county government values providing educational opportunities on the county’s fiscal processes; one way that it is creating transparency and accountability. It provides stipends for community budget meetings, technical assistance and workshops for application development, and then proposals are voted upon by the community. Applications earn more analysis “points” by being geared towards equity or a specific historically low investment area.

“People in historically underserved communities gain power from being stakeholders and decision makers in the budget process.”

And:

“What’s been most effective in building coalitions (in Marin) is direct recruitment; doing outreach with the County Human Rights Commission, faith based organizations and with supervisors offices’ aids to recruit members of the community that represent the community [into these processes].”

- Marin County Gary Besser, Budget, Policy & Equity Analyst

Success Strategies

- Power is mapped and analyzed transparently with communities
- Power is shared with communities
- Communities are involved in budget values-setting and decision making

24“Racial Equity and Inclusion Framework.” Anna E. Casey Foundation. https://www.aecf.org/resources/race-equity-and-inclusion-action-guide?gclid=Cj0KCQiAofieBhDXARlRSAHTIldq_g7dFqGK16kbq6RFhfw7HKwJETO4sSdlSiCQtwDZi06MkZCRAMaAuKsEALw_wcB. 26
● Communities are be included from the beginning of the policy processes, informing department level visions, goals and priorities

Examples from jurisdictions

Portland, Oregon

● Department leadership has public conversations with community
● Community members sit on budget committee and participate in budget priorities-setting

Canada

● Community voice IS evidence; it should inform policy as must as disaggregated data
● Established “Community-to-Policy Pipeline”
● Establish symbiotic relationships where gov. Entities provide education on resources, funding streams available to communities, information on projects that impact them, and receive feedback from communities that is taken into the policy spaces

● Multi-pronged approach
  ○ Provide town halls of 100-400 people from across canada; facilitate conversations on community and policy issues; discuss federal actions; and request feedback on what is needed to make the actions equitable
  ○ Summits; previously on Antisemitism and Islamophobia
  ○ Department outreach presenting policies to the community directly and provided feedback sessions
● Allocated 45 million dollars in budget specifically addressing community input and requests
● Has taken more than 500 community recommendations for infrastructure, public safety and justice to inform cabinet level proposals and policies
● Cultural Liaison Roles: building capacity, coaching departments as you go, working with communities to develop their voices to be able to tell the government what they need

Fairfax, VA

● Implement inclusive, consistent community engagement
● Prioritize equity – acknowledge intentional and unintentional inequities as we move toward a more inclusive engagement process.
● Establish and maintain – Work with communities in an honest and transparent manner, considering and respecting history, culture and trauma
● Develop data-driven processes – Equip staff and residents to utilize data to inform all aspects of the engagement process.
● Establish clear expectations – Develop clear and transparent processes to achieve expected outcomes for the community. Identify appropriate roles and responsibilities
● Enable engaged communications – Communicate clearly and openly for meaningful public input, broad community participation, and engagement in the decision-making process
Promote and create accessible government—Collaborate with the community to ensure public engagement processes are broadly accessible to all members of the public to promote meaningful participation.

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### Detailed Findings

#### Racial Equity Framework and Budget Tool SWOT Assessment

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State Level Case Studies

Oregon Statewide and Department of Revenue Frameworks

“Advancing racial equity in Oregon will take foundational reform.”25

In 2021, the State of Oregon released a Diversity, Equity, and Inclusion Action Plan (DEIAP) guiding its statewide equity praxis. The comprehensive plan explicitly prioritizes equity, racial justice and anti-racism. Among their racial equity goals they, “center equity in budgeting, planning, procurement, and policymaking” as a way to dismantle systems of racial injustice and inequity (pg 11,14).

Oregon’s strategies are:

1. Agency-Specific Racial Equity Plans
2. State Diversity, Equity, and Inclusion Infrastructure
3. Inclusive Communications
4. Community Engagement
5. Disaggregated Data as a Lever for Change
6. Equitable Budget, Inclusive Budget Process, and Investing in Target Communities
7. Contract Equity and Improving State Procurement Processes
8. Diversifying the Workforce and Creating an Inclusive Workplace
9. No Tolerance for Racism, Hate, and Discrimination
10. Urgency, Transparency, and Accountability in All Operations

**Racial equity action or strategic plans are required** to be developed by each agency addressing their unique equity goals and responsibilities. This includes agencies to create teams of early champions to guide each department’s equity work.

**DEI infrastructure is required** across the state landscape, resourcing dedicated specialized staff to build capacity and operationalize goals. These staff, included in executive leadership consultation, provide technical assistance, evaluate programs, advise leadership and agencies on racial equity action.

**Equitable, targeted budget changes are required.** This includes community inclusion, targeted investments in historically under-resourced populations, using data to inform resources allocation, support overall state equity goals with budget decisions, and ensure spending cuts are assessed with racial equity lensing.

Responding to these requirements, the Department of Revenue (DoR) released its [2023-2027 Racial Equity Plan](#) including a racial equity tool.

The Department of Revenue’s REP is an exemplar framework for several reasons.

- It creates two dedicated racial equity monitoring entities
  - A “Strategic Coordinator” who guides, monitors and reports while maintaining DoR strategies alignment and mapping onto DEIAP timelines
  - “Department of Revenue Committee on Diversity and Inclusion”
- It is a comprehensive document that includes critical orienting content including definitions, background, and a historical timeline of state level racism
- It contains an action plan for how and why the framework will address racism in budget processes
- It promises monitoring and evaluation including reporting to the Oregon Revenue Committee on Diversity and Inclusion (RCDI)

**Michigan**

“When the State of Michigan acts inclusively, the state benefits from the enhanced contribution, commitment, participation, and satisfaction of its employees, improved workplace relationships, and through increased productivity and health outcomes.”

“By using a Racial Equity Toolkit, local governments can develop a framework, strategy and the resources needed to intentionally disrupt unintended outcomes and maximize the effectiveness of strategies designed to eliminate racial inequities in their communities. Given the complicated and pervasive nature of racism, this effort requires focus and specificity, as each inequitable outcome requires a tailored strategy that:

- Seeks to proactively eliminate racial inequities and advance equity.
- Identifies clear goals, objectives and measurable outcomes.
- Engages community in decision-making processes.
- Identifies who will benefit or be burdened by a given decision, examines potential unintended consequences of a decision, advances racial equity and mitigates unintended negative consequences.
• Develops mechanisms for successful implementation and evaluation of impact.”

-Michigan Racial Equity Toolkit

Michigan’s Department of Civil Rights released its statewide Racial Equity Toolkit as a guide for government agencies, organizations, and communities “to proactively engage in solutions that thrive in the creativity and broader perspectives that reside in diversity, while recognizing that inclusion is not a natural consequence of diversity.”

Michigan, an anti-affirmative action state, uses explicit language to analyze and describe inequities it seeks to address. Its toolkit is composed of important learning and orienting materials that define key racial issues and make clear how the state will disrupt racism at the state level.

**Washington State Office of Equity**

“Each person in [Washington State] deserves a fair chance to live life to the fullest, regardless of race, ethnicity, creed, color, national origin, citizenship or immigration status, sex, honorably discharged veteran or military status, sexual orientation, or the presence of sensory, mental, or physical disability“

“I [the Governor] recognize the traumatic and long-lasting impacts of discrimination, racism, and oppression. I also recognize that Washington state government has the responsibility and the ability to make a difference for all of us—employees, the people served, and current and future generations of Washingtonians. This order, alone, will not create equity in our state, but this is a necessary next step.

 “[Washington] state government recognizes and embraces its responsibility to dismantle discrimination and institutional and systemic barriers to fulfill its public service mandate to ensure that all people have full access to opportunities to flourish and live healthy, successful lives.”

The state of Washington is in the process of making substantial changes to its government structures and practices. Its approach has the potential for substantive, lasting racial equity impacts if implemented effectively. As such, it is a model that California leadership should evaluate in its racial equity development.

In 2020, Governor Jay Inslee proposed the establishment of the state’s first Office of Equity. It was approved by the legislature and allocated an initial $2.5 million dollars appropriated for eight staff to develop the state’s five-year equity plan and monitor its progress. The office was created by an

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amendment to the constitution, Washington State Title 43, and seated in the Executive branch as a complement to, not replacement of, previously established commissions.

The Office of Racial Equity is intended to:

“(1) promote access to equitable opportunities and resources that reduce disparities and improve outcomes statewide across state government per its authority in RCW 43.06D.020, (2) support state agencies in our commitment to be an anti-racist government system, (3) serve as a tool to root out racism and other forms of discrimination in state government, and (4) publish and report the effectiveness of agency programs on reducing disparities using input from the communities served by those programs.”

Governor Inslee continued to press for more state progress on advancing racial equity by releasing “A historic commitment to diversity, equity and inclusion.” A budget and policy brief featuring the Office of Equity, an Office Independent Investigations to address police excessive force, and to increase diversity in state contracting with the Business Diversity Management System.

“I firmly believe Washington will be an anti-racist state, and I will be taking actions that hold our state to that commitment. We need our policies and budget to reflect our dedication toward disrupting the harmful systemic cycle of racism and inequity.”

- Governor Inslee

In 2022, Inslee’s Executive Order EO 22 02, “Achieving Equity in Washington State Government,” did two important things:

- Rescinds the state’s Anti-Affirmative Action gubernatorial guidelines from Directive 98- 01, which structured implementation of the 1998 Initiative 200 (I-200), now codified as RCW 49.60.400, which reads that “The state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.”
- Redirects the state’s approach to Affirmative Action implementation as follows:
  - **Public Contracting** – As the state agency responsible under chapter 39.19 RCW for developing programs to maximize opportunities for minority- and women-owned businesses in public contracting and procurement, the Office of Minority and Women’s Business Enterprises (OMWBE) is charged with the implementation of Executive Order (EO) 22-01. EO 22-01 requires all executive and small cabinet agencies to use the newly developed Tools for Equity in Public Spending. OMWBE will continue to be the lead agency responsible for implementing the Roadmap to Contracting Equity that was developed in response to the 2019 Statewide Disparity Study.
  - **Public Employment** – All executive and small cabinet agencies will continue to follow SHR Directives 20-02 and 20-03. The Director of SHR will consult with the Office of Equity to deliver a report to me that reviews and evaluates each agency response to SHR Directives 20-02 and 20-03. SHR will proactively address and dismantle oppressive

systems and practices in the workplace and build new, equitable systems to achieve a workforce that is representative of the diversity of Washington and practices cultural humility. SHR will deliver to me a strategy to accomplish these objectives by October 2022. SHR is further directed to: 1) in consultation with the Governor’s Committee on Disability Issues & Employment, review and recommend any updates to EO 13-02 to improve employment opportunities for individuals with disabilities with the State of Washington; and 2) issue a directive to require all cabinet agency employees to complete DES’s DEI training.

□ Public Education – The Washington Student Achievement Council is directed to prepare a report describing the differences in patterns of access and success across student subpopulations, the faculty and staff equity demographics at public educational institutions, and the scope and progress of existing programs designed to identify and remedy discrimination in our higher education system. The report will also describe gaps in these programs and additional recommended actions. I will also solicit the views of the Superintendent of Public Instruction as to any additional steps needed to identify and address discrimination in our K-12 school system.

□ Public Services – All executive and small cabinet agencies shall identify ways to bolster access to state services by reducing barriers and eliminating inequities in all aspects of agency decision making, including but not limited to, service delivery, program development, policy development, staffing, and budgeting.

A second Executive Order, EO 22 04, “Implementing the Washington State Pro-Equity Anti-Racism (PEAR) Plan and Playbook,” outlines the state’s framework for anti-racism transformations. Citing established Determinants of Equity, “economic justice, state and local practices, jobs and job training, justice systems and laws, health and human services, food systems, environment and natural resources, community and public service, transportation and mobility, community and economic development, and housing and home ownership, early childhood development, and education,” it adds digital access and literacy.

● The Office of Equity will be required to:
  □ Communicate the PEAR Plan & Playbook to state agencies in an effective and accessible way.
  □ Provide templates, toolkits, consultation, guidance, technical assistance, and training necessary for state agencies to develop, implement, and measure the effectiveness of their pro-equity, racial justice, access, and belonging strategic action plans. This support will include:

    Developing a form (format, content, and frequency) that will serve as each agency's strategic action plan.

    Creating statewide and agency-specific process and outcome measures to show performance, using outcome-based methodology to determine the effectiveness of agency programs and services on reducing disparities.

    Convening a team of employees and communities to determine whether the performance measures established accurately measure the effectiveness of agency programs and services in the communities served.
Creating an online dashboard to publish statewide and agency-specific plans, performance measures, and outcomes.

Establishing a process to report on each agency’s performance and a process for each agency to respond.

- Establish procedures to hold agencies accountable, which may include conducting performance reviews related to agency compliance with Office of Equity performance measures.
- Convene a team of employees and communities impacted by state programs and services to develop and publish a report for each agency detailing whether the agency has met the performance measures established and the effectiveness of agency programs and services on reducing disparities, including the agency's strengths and accomplishments, areas for continued improvement, and areas for corrective action.
- Post statewide and agency-specific plans performance measures and outcomes and Equity Office agency performance review reports on the dashboard, by September 30, 2023, and every year thereafter.
- Develop and submit an annual report to the Legislature and Governor

All state agencies are charged with the implementation of Executive Order (EO) 22-04. The agency leader is responsible and accountable for achieving agency PEAR outcomes, and these duties include but are not limited to:

1. Developing, implementing, and reporting on progress of the PEAR Strategic Action Plan.
   - Gathering data, helping to improve communications, and updating (or recommending, where required) policies, and educating employees about ways to create a PEAR culture.
   - Establishing and delegating authority to the PEAR Team, reporting directly to executive leadership, composed of agency executive leaders, the agency equity officer, employees, and external customers, partners, and experts for key business lines to assist the agency leader in achieving these goals.
   - Providing agency PEAR Team’s contact information to the Office of Equity by April 30, 2022.
   - Partnering with individuals, groups, and communities impacted by agency programs or services to complete an initial EIR by August 1, 2022, to determine agency baseline.
   - Based on the results of the EIR, completing a PEAR Strategic Action Plan Template due to the Office of Equity by September 1, 2022; updated plans are due every year thereafter.
   - Implementing agency PEAR Strategic Action Plans, beginning September 1, 2022.
   - Preparing and submitting a PEAR Annual Performance Report to the Office of Equity by September 1, 2023, and every year thereafter.
   - Utilizing quarterly performance review process as best practice to monitor progress towards agency PEAR Strategic Action Plan goals.
   - Preparing and submitting a response to reports published by the Office of Equity on the agency’s PEAR Strategic Action Plan performance. The agency's response must include the agency's progress on performance, the agency's action plan to address areas for improvement and corrective action, and a timeline for the action plan per RCW 43.06D.040(1)(e)(ii).
While California’s size, political landscape, and government structure may differ from Washington’s, these policies provide one approach to other states that wish to establish racial equity and anti-racist praxis in government processes. Their approach outlines a process that has the potential to be sustainable, procedurally and distributionally equitable, and accountable.

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**Detailed Findings**

**Budgeting for Racial Equity**

**Philadelphia, Pennsylvania**

Examples of Equity Outcomes resulting from Budgeting for Racial Equity:

During the pandemic when the city was looking at making cuts to services and facing a $750 million dollar fiscal gap, it looked at part-time services, specifically at cutting funding for crossing guards as schools were out of session. The city performed an equity assessment that showed that the demographics of employees who are crossing guards was BIPOC and low-income. Based on this analysis, the city decided not to cut this area of the budget.

And:

As a result of the Department of Finance’s growing racial equity infrastructure and capacity, their 2023 Racial Equity Action Plan requested the establishment of an Equity Director. This was subsequently approved and funding was received because the request directly fulfills the Mayoral mandates, their REAP and the needs of the department. They are now filling this position.

**Overview**

Philadelphia is a powerful example of one city, among many, taking effective policy approaches racial equity government transformation. Like most U.S. cities forwarding racial equity, with the exception of Seattle, Portland, and Durham, the city began its structural changes in 2020 in response to public demand for racial justice. It does this in two main ways:

1. Citywide Racial Equity Policies for capacity building, learning, and application
2. Budgeting for Racial Equity

- **Procedural Equity**
  - It established [Budgeting for Racial Equity](#), a 226 page holistic budget plan
    - Contains the Budget Tool
    - Contains transparent reporting of every office’s/agency’s budget proposal responses
  - It contracts with Racial Equity Practitioners from [Equity and Results](#), specialists in Equity and Results-Based Accountability. Equity and Results co-develops the city’s racial equity tools, facilitate racial equity learning and application, provide technical assistance, monitoring, and evaluate and “score” all budget proposals for use in the city’s Budget Office throughout each budget cycle
    - Equity and Results employs racial equity consultants who are fiscal analysts, possessing institutional knowledge of government budget processes
    - Train and facilitate department development of targeted budgeting and spending to directly increase racial equity
      - For example, when the city’s Human resources department wanted to effectively increase hiring of BIPOC candidates, they requested support for Equity and Results. Budget-savvy racial equity consultants assisted in developing budget proposals to implement the department's goals.
    - Equity and Results holds Office Hours open to all departments for assistance during budget cycle
  - **Equity Scoring:**
    - Equity and Results developed scoring metrics applied to every budget proposal that provide one way that finance and DEI staff can assess the potential equity impact weight of proposals in their assessments
    - Equity and Results conducts one assessment using their score system
    - ODEI performs its own equity assessments
    - Both assessments inform overall fiscal analyses for equity
    - Proposals that weight equity more heavily are favored but equity is only one input in the assessment process
    - Budget Office leading collaboration with Philadelphia Mayor contracting a capital spending study with PEW Research PEW. The study is based on geographical location to understand historically where city capital dollars have been spent to inform future spending
    - Philadelphia advises that Baltimore has done similar research
    - The Office of Economic Opportunity participates in budget meetings to develop understanding of equity in contracting to better serve minority-, women- and disabled-owned businesses for contracting

- **Distributional Equity**
  - A citywide Employment Diversity and Inclusion Initiative with Workforce Planning documents and processes
  - Includes LGBTQ+ and People with Disabilities in their scope of “equity”
○ Office of Diversity, Equity and Inclusion (ODEI) works in alignment with the Finance Department providing technical assistance and capacity for budget processes
○ Fiscal Office and staff partner with Equity and Results
  ■ All Finance Department staff participated in Equity and Results racial equity cohort training where they developed the department’s racial equity action plan and practiced root cause analyses
○ Develops data practices

● Sustainability
○ It established the city’s Diversity, Equity and Inclusion Office and a Chief DEI Officer position with EO 1 20 (January 2020) requiring:
○ All department develop Racial Equity Assessments and Racial Equity Action Plans (REAPs)
○ All department develop capacity for DEI
○ It established an Equitable Community Engagement Toolkit (the only formal approach I have seen thus far) used to build relationships with communities that inform overall city budget, program and policy processes. Its comprehensive toolkit has citywide accessible templates and guides for rich implementation, including for:
  ■ Establishing equitable condition for community partnership
    ● Mindset and Power Assessments
    ● Community engagement budget template for proposals
  ■ Centering community
    ● Trust and Community Context Plans
  ■ Working Together
    ● Level of Engagement, Decision Making and Conflict Plans
  ■ Engagement Plans
    ● Tools for Scope of Work, Relationship Expectations, Goal, Accountability, Group and Self-Reflection, Collective Debrief, Community Feedback, Equity Evaluations, and the like
  ■ Radical Inclusion
    ● Tools for Accommodations, Accessibility, Translation, Meeting Templates, Power and White Supremacy Culture Assessments, Wellness Plans and Community Agreement
○ Finance Department created Director of Equity position
○ Champions formed a Racial Equity Community of Practice, a freeform, ongoing space for leads and teams to continue equity development and work across departments and hold institutional knowledge in place

● Accountability
○ Develop data practices that aid in DEI
○ All departments appoint a DEI “partner” to coordinate with the Office of DEI on department-wide DEI training
○ Finance Department created Director of Equity position

● Evaluation
○ Develop data practices that aid in DEI
○ Where only Mayors and their cabinet staff reviewed budget proposals in the past, the Budgeting for Racial Equity plan expanded a racial equity budget committee to a group of 50 city staff. Committee staff participate in required “budget bootcamp” with the Office of Diversity, Equity and Inclusion to learn fiscal processes and racial equity approaches. The purpose of the committee is to review all new requests for spending, operating and capital.

○ This fiscal cycle, the committee looked at all 500 budget proposals broken up into groups as a time-saving measure. For example, one cohort analyzed all public safety proposals and another analyzed capital requests. Results are shared with the Budget Director, Finance Director and Mayor to explain budget rationale and choices. Committee receives all proposal excel spreadsheets with department justifications for their budget requests plus access to scoring results from Equity and Results.

Like other successful models, the Department of Finance and Office of Diversity, Equity and Inclusion take an explicitly non-punitive approach to making system changes that includes all staff wherever they are in their racial equity journeys.

Most department action plans have external public facing service-focused equity plans plus internal plans including training, staffing, hiring, capacity building, hiring DEI staff, a manager/lead for plan implementation.

Portland, Oregon

Overview
Portland is one of the earliest adopters of racial equity praxis in government. Like many jurisdictions studied for this report, Portland anchors its current racial equity transformation work in its budget processes while working year round to cultivate racial equity capacities and competencies citywide.

Racial equity and social justice government transformation in Portland happens with the leadership and guidance of an independent Office of Equity and Human Rights. The OEHR was established in 2011 by city ordinance with the intent that it will end institutionalized racism, achieve racial equity, and promote full participation.

The Office is responsible for setting citywide policies and managing civil rights titles. It also is tasked with building the racial equity capacity and competency of all city agencies and co-implementing the city’s binding policy that enacted the budget tool\footnote{Portland Office of Equity and Human Rights. Budget Equity Tool. \url{https://docs.google.com/document/d/1kOrvCc6B5IPznj2NbOWoiAHdeZ3Q568p/edit#}.} with the Budget Office and the Budget Advisory Committee. The policy states that, “The Office of Equity and Human Rights will partner with the City Budget Office and the Mayor’s Office to continue to require use of the City’s Equity Budget Tool on all budget proposals and base budgets and tie those budget requests to implementation of their Racial Equity Plans and ADA Transition Plan tasks.”
The Office’s establishment was part of the city’s 25-year racial equity plan. In June of 2020, the city council passed Resolution 37492 adopting anti-racism, equity, transparency, communication, collaboration, and fiscal responsibility as the core values of Portland. To use Portland as an example of both a racial equity government approach and a racially equitable fiscal process, look to their [2021-2024 Strategic Plan](https://www.portland.gov/officeofequity/documents/strategic-plan-2021-2024/download).

In the plan are the above core goals and values. Anti-racism, equity, transparency, and collaboration represent an approach to capacity building infrastructure that many locales are undertaking. These values equate to strategic actions that actively engage in anti-racist policy development and practices, build accountability and data accessibility, share power and knowledge with communities.

The Office of Equity and Human Rights also positions the government in a role of responsibility for the needs and resiliency of its most vulnerable residents. Portland’s “fiscal responsibility” value is a powerful way to frame racial equity budgeting that establishes that every budget decision must be a racial equity decision rooted in community values, reducing inequities, and fiscal transparency. Their philosophy is one version of similar approaches seen across the country.

The plan centers race specifically and explains effectively why equity and human rights work in government must center it.30

- Race is consistently the indicator of greatest disparity in our city (and nationally)
- Race may be ignored as a factor if not intentionally addressed
- Our economy is built on a racist past (slavery, Native American genocide, and racial exclusion)
- Racial inequities persist in every system across the country.
- When exploring other dimensions of identity, there are still inequities across race.
- Inflaming racial tension has been a deliberate political strategy to maintain power.
- Not focusing on race makes it more difficult to understand the impact of race on equity

The City of Portland’s Budget Equity Tool and process stands out as a prime example of an effective approach because it, like other effective models reviewed in this study, integrates key operationalizing characteristics.

Below is an analysis of the strengths of the City of Portland’s approach when analyzed against the following five criteria:

- **Procedural Equity**
  - Formal Budget Equity Tool
  - Independent form integrated into the jurisdictions budget process
  - Integrated community input
  - Anchored by data, unique city dashboard in process
  - Anchors analysis in proposal alignment to citywide goals and values

- **Distributional Equity**
  - Assesses equity alignment of department base budgets

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- Equity in hiring
- Develops and uses data

**Sustainability**
- Executive mandate for Office of Equity and Human Rights and Budget Office “partnership”
- Established OEHR with capacity and powers to execute citywide goals
- Year round capacity building for departments
- Required racial equity training for every city employee that centers
  - Portland’s specific history of racism
  - Racial equity policy analysis
- Fiscal cycle technical assistance

**Accountability**
- Requests community inclusion
- Impact assessments
- Many departments have dedicated racial equity practitioner
- Equity managers and OEHR meet weekly and report regularly, report to oversight bodies, and executives

**Evaluation**
- Robust review process
  - “Compassionate Scoring”
- Conducted by OEHR
- Budget proposals made public

One area where Portland’s tool appears to have room for improvement is in the area of contracting and services. While this may be accounted for in detail in proposals, it is not clear in the tool that fiscal analysis needs to be applied to those areas.

Equity Officer for the OEHR, Asena Lawrence, says they are continuing the iterative development of the process and addressing limitations, such as adding robust instruction for integrating equity in departments and budgets, and developing more resources and learning opportunities.

Racial Equity infrastructure includes equity managers in 15 departments across the city. More than half of the departments employ equity-specific staff. The city has grown racial equity staff from 28 just a couple of years ago to now 85 employees. Equity managers meet weekly for an hour and half and report to the Deputy Director and Director of their respective bureaus. Every department is required to create a 5 year Racial Equity Action Plan, and most use Results-based Accountability in development.

**Washington, District of Columbia**

“Embedding questions are a methodical way to initiate critical introspection at the agency level as far as to see what is on top of our baseline: this is the money we want, why we want it, who will benefit and who could be harmed.”

And
“The budget equity process aims to serve as if budget staff were able to be in the room to ask questions, to the point that staff are asking themselves the questions de facto.”
- Emily Ruskin, Washington DC Mayor’s Budget Office

Overview
Established in 2021, the Mayor’s Office of Racial Equity leads the unique jurisdiction in its overall racial equity practices and racial equity budgeting. The Office of Racial Equity (ORE) works in collaboration with DC leadership and agencies to develop racial equity across government operations. The office also works to:31

- Provide leadership, guidance, and technical assistance to District agencies on racial equity to improve the quality of life for Washingtonians.
- Promote strategic alignment and coordinate the District’s efforts toward achieving racial equity.
- Strengthen external partnerships with local racial and social justice organizations through meaningful community engagement.

Washington DC’s Office of Racial Equity is positioned external to the Budget Office. Budget staff interviewed warned this positionality can disturb the budget process because it is not integrated. However, in DC it works because they are an executive level office included in all executive functions of the city including the budget.

The Office of Racial Equity and Budget Office hold presentations at the beginning of budget season as well as one-on-one per department requests. The team of ORE and BO staff analyze, provide feedback, and will reach out to departments individually when an insufficient proposal merits extra attention. It can be obvious to analysts when a submission is forced, for example when an IT department submits a request for a new position and tries to boost their proposal with racial equity criteria that are not warranted. For this reason, DC has made changes to the current REBT that allows for some verified exemptions to racial equity submissions for certain baseline or operational budget items.

DC’s Budget Office acknowledged significant “confounding factors” that make tracking and measuring challenging, noting that the office lacks capacity to develop that evaluation mechanism.

- **Procedural Equity**
  - Racial Equity Budget Tool in place
  - Stand alone form
  - Required
  - Comprehensive REBT
    - Instructions
    - Racial Equity learning and orientation and examples
- **Distributional equity**
  - Provide suite of data resources
- **Sustainability**
  - Established ORE

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○ Budget Office Integration
○ Racial equity training for fiscal staff
○ The ORE is working with 12 District agencies to pilot racial equity tools, complete a
departmental assessment of racial equity, and develop a racial equity action plan.

● Accountability
○ BO and ORE hold office hours during budget cycle for capacity building and technical
  assistance
○ BO and ORE reach out proactively during submissions analyses

● Evaluation
○ Only BO review of budget proposals
○ “Advancement of Racial Equity” Scoring

Budget Request and Enhancement Questions, Washington DC Budget Tool

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<th>Overall Budget Request Questions:</th>
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<tr>
<td>a. What are your agency’s racial equity priorities and how does your FY 2024 budget request help the agency address those priorities? Please list 3–5 priorities and expected outcomes of any enhancement requests in your FY 2024 submission.</td>
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<tr>
<td>b. What constraints most inhibit your agency’s ability to advance racial equity? Please list any of your agency’s FY 2024 budget enhancements that directly address these constraints.</td>
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<tr>
<th>Budget Enhancement Questions:</th>
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<tr>
<td>c. What racial inequity would this budget enhancement address? (i.e., a health disparity, educational gap, disproportionality in housing, bolstering existing community resources, etc.). Please be as specific as possible.</td>
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<tr>
<td>d. What is the rationale for addressing the inequity in this way and/or with this program? (For example, is the enhancement in response to a legislative requirement or mandate, community engagement efforts, demographic data, or something else?)</td>
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<tr>
<td>e. In what ways have you meaningfully involved internal and external community stakeholders in the development of your agency’s budget requests, including staff and communities of color? (For a copy of the Meaningful Community Engagement Guide, please visit ODEI’s website.)</td>
</tr>
<tr>
<td>f. If this budget enhancement could potentially cause unintended benefits or burdens, please detail what racial or ethnic groups might be positively or negatively impacted. (E.g., the location for a new airport could disrupt traffic patterns and create noise and air pollution that impact residents in the immediate vicinity which could worsen racial health inequities.)</td>
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Nashville, Tennessee

“We have seen departments resist the questions posed by our tool – particularly those that believe they have a responsibility (both morally and legally) to treat residents equally under the law. Many departments try to strike a balance between upholding that ideal while having certain programs in place that are more equity focused. There is no ‘penalty’ or direct impact on their budgets. However, we make it clear in our assessment why equity focused work should be prioritized and still question departments about their budget requests along those lines. They may resist the process; but they cannot avoid it.”

-Sneh Patel, Nashville Office of Diversity, Equity and Inclusion, Department of Finance

Overview

In Nashville, Tennessee, a “Budget Equity Tool” (BET) has been in place for two years. Initiated by the Office of Diversity, Equity and Inclusion (ODEI), newly positioned within the Finance Department’s

Office of Management and Budget (OMB), the budget tool aims to normalize and embed racial equity into city practices. The ODEI’s placement within the Finance Department has several purposes: to demonstrate the productive alignment between the offices, to show stakeholder buy-in, and to inform city departments that the racial equity budget process is the budget process. The BET mirrors a traditional fiscal audit but with racial equity lensing and questions. While utilization of the tool is not legislatively mandated, because it is aligned closely with the budget process it holds significant weight: ODEI measured a 94% submission rate through the BET portal during its pilot year, fiscal year 2022.

In FY 2023, the ODEI and FD implemented the process for a second time (FY 2024 BET) with updates from feedback they received from users in the pilot period. Some changes addressed feedback on the length of the process and level of challenge. Importantly, the ODEI received feedback that some departments were concerned the quality of their tool submissions would negatively impact their funding allocations. The Diversity, Equity and Inclusion staff were therefore able to provide targeted support in areas of concern to departments.

The BET consists of a 16 pages document, including clear definitions of racial equity and its efficacy in government processes to create racially equitable outcomes. There are detailed instructions with 11 linked data resources, 5 of which are internal to Nashville. Of those five, one is an ODEI-developed an interactive data portal with original research and findings on poverty, affordability, educational attainment and general demographic/spatial data. One section includes theme analysis gleaned from an original study of the 2022 budget tool submissions that illuminates trends in responses to map challenges, priorities, and commonalities across the county departments. The instruction section includes a live submission portal link for easy access.

The tool’s three strategies are to “adopt an equity lens,” “be data-driven,” and “promote assessment and accountability.” The tool consists of an orienting introduction to the tool and to Racial Equity, which defines it as “fair practices and policies that ensure everyone has access to the same opportunities while acknowledging and addressing past and present structural inequalities.” In the instructions, it orients the reader to the ODEI, the tool, overarching goals, clear expectations, the forthcoming process, and four equity questions which are the core of the submission.

The tool requests precise responses to equity-focused questions, engagement with the ODEI staff to resolve any uncertainties, use of a specific ODEI data portal, use of data sources, and an iterative feedback process. Racial equity is explicitly discussed and analysis of racial equity metrics are requested.

Key aspects of effective racial equity assessment tools are their ability to create an equity lens for the user to analyze policy and budget proposals to project outcomes, root proposals in racially relevant data, create pathways to or integrate community voices, and include an evaluative process. Nashville’s Budget Equity Tool, like others surveyed, is not legally binding. It is not required for city and county departments to use it, and racial equity training is not required for Nashville department staff. Therefore, for racial equity to become common practice in the government decision making process the BET must be robust.

Budget Equity Tool Questions:
1. Are there budget modifications for departmental programs that address the needs of underserved or disadvantaged communities? (How will the department embed equity in program development and execution? How will programs be assessed? What role will data play in program development and assessment?)

2. Are there budget modifications that will promote diversity, equity, and inclusion among department staff? (How will the department incorporate an equity lens in recruitment, retention, or promotions? How will these efforts be assessed? What data will guide policy and assessment?)

3. Are there any budget modifications that will enhance outreach to Metro residents or increase accessibility to departmental services and information? (How will the department use an equity lens to guide outreach and accessibility efforts? How will these efforts be assessed? What data will guide policy and assessment?)

4. Provide a general characterization of any remaining budget modifications that do not align with the previous three questions. Please group together similar or related modifications

- **Procedural Equity**
  - Formal Budget Equity Tool
  - Possesses detailed, concise explanation of the tool, its strategies, examples, and how to use it
  - Budget cycle training
  - Full alignment with budget process

- **Distributional Equity**
  - Provides baseline racial equity education into the forms to familiarize the reader; create consensus of understanding of racial equity

- **Sustainability**
  - Uses strong language that enhances efficacy of the ODEI; "should," "must," "require"
  - Full alignment with budget process
  - Budget Equity Tool and ODEI included in textual language of citywide budget packet
  - Budget Office and ODEI release budget materials in tandem
  - BO and ODEI host mandatory budget training sessions in tandem
  - ODEI meets one-on-one with departments at their request
  - ODEI reports that most departments set meetings with them
  - ODEI reports nearly 100% response rate to Budget Equity Tool

- **Accountability**
  - Sets expectations for communication with racial equity practitioners
  - Provides and requires use of a suite of data resources internal and external to Nashville and requests their use.

- **Evaluation**
  - Establishes an effective multilateral feedback process between BO, ODEI, and agencies

Effectiveness of a budget tool is dependent on the users capacity to understand racial equity, histories and contexts of systemic oppression and abandonment (at least at the local level, if not a global understanding of the colonial, imperial project and its present manifestations), an engagement with spatial information, and an ability to integrate this information into a policy scope. It is also important to root the policy proposal process in outcome or results-based projections with a racial equity lens.
Nashville’s ODEI addresses this in two ways. First, the office has embedded racial equity definitionally into the tool while providing resources with active links throughout. The most comprehensive aspects of the office’s racial equity education are located on their website. In the absence of long term training models such as the GARE, CCORE or other established government-level training models building capacity for systemwide comprehension and cultural change, Nashville embeds education into the BET. The BET provides direct instruction to contact the ODEI staff for inquiries and support which aids in comprehension. Its “Instruction” section states,

"Departments need to reach out to the Office of Diversity, Equity, and Inclusion if they have any questions about the BET. We will be reviewing each tool and making recommendations on adjustments or resubmissions that are necessary. Each department will also need to submit an articulation of how each budget investment furthers equity. Our office is available to assist each department with this portion of the budget process as well.”

Second, the user is expected to communicate with the ODEI and to articulate projected equity outcomes in their submissions. Instructions include the name of each ODEI staff member, links, and contact information in two locations within the document. The ODEI staff create a firm invitation for engagement with all departments. This is reinforced throughout the year with formal, scheduled budget meetings conducted by the ODEI and BO, and city departments. The ODEI provides a video training on using the tool and successful examples from previous submissions.

The Nashville ODEI works one-on-one and in regularly scheduled budget meetings providing ongoing training and technical assistance while centering equity goals. Consistent engagement and accessibility allows for changes in the way departments function at the personal level. ODEI staff said that they have seen substantial changes in departments’ language and approach to their roles as government employees as a result of racial equity process. As the BET is in its early stages, the ODEI is still developing its analysis and evaluation processes. With the data-integrated approach, they hope to develop tools for demonstrating county improvements to outcomes.

Seattle, Washington

Overview

Since 2004, Seattle, Washington’s Budget Office has integrated questions regarding equity impacts into their budget request forms following the creation of the cities Racial and Social Justice Initiative (RSJI) by the Office for Civil Rights (OCR). The RSJI published a Racial Equity Toolkit to assess policies, initiatives, programs, and budget issues intended to be used at the city department level. The city just passed a city ordinance to formally establish and empower the RSJI, a move that could bolster the city’s racial equity work. The city also has an active OCR which conducts equity analyses, works with the Budget Office, and has put forth initiatives such as a recent People's Institute assessment rubric to analyze the city's position on the spectrum of anti-racist organizational practices.

These three entities function autonomously and work together at various points. For instance the RSJI receives toolkit responses internally, unconnected to the BO, for ongoing projects and policies. They will
then send these responses with updates to the OCR annually. And, the Budget Office coordinates with the OCR to create and maintain “Change Teams” that have co-leads and meet bimonthly. Some departments have every budget proposal assessed by their “change team” and some develop their operational practices together. Lax structure allows for broad inconsistencies in assessments. Deputy Director Blankenship reported that while fiscal staff are trained on racial equity, the most effective training that budget staff have is led by the Civil Rights Department directly on equity and bias.

Seattle developed a set of ten additional questions to be embedded in the budget forms in 2012. These budget forms are intended to be utilized by the ~40 city departments. While the Budget Office (BO) does not evaluate Racial Equity Budget Tool compliance rates, Deputy Director Blankenship estimates ~50% of departments submit a response. After the social uprisings against white supremacy and state violence in 2020 and calls for structural and systemic changes Deputy Blankenship says the response rate may have increased to ~75%.

The assessment that follows is limited by my inability to access the City of Seattle’s Budget Tool. The following determinations are the result of an in-depth interview with the Budget Office.

- **Procedural Equity**
  - Formal Budget Tool
  - All fiscal analysts are trained on racial equity in the budget process by the Budget Department

- **Distributional Equity**
  - All fiscal analysts are trained on racial equity in the budget process by the Budget Department.

- **Sustainability**
  - Various equity policies and frameworks in place since early 2004
  - Budget Office coordinates with the OCR to create and maintain “Change Teams” that have co-leads and meet bimonthly.
  - Race and Social Justice Initiative conducts its own older racial equity tool

- **Accountability**
  - Budget Office coordinates with the OCR to create and maintain “Change Teams” that have co-leads and meet bimonthly.

- **Evaluation**
  - Budget Office analyzes racial equity tool responses
  - In process using The People's Institute assessment rubric to analyze the city's position on the spectrum of anti-racist organizational practices

**Challenges**

Seattle stands out as a leader in the field of equity transformation with some cautionary wisdom. With the longest history of racial equity change in government in the country, one might guess they demonstrate the most success. Deputy Director Blankenship attributes the challenges they’ve seen as mainly related to a lack of cultural change among government employees and accountability mechanisms via data and evaluation. They’ve therefore seen challenges to fundamentally change government processes and see tangible equity outcomes.
Though we may anticipate robust outcomes from Seattle as the early adopter into the citywide racial equity budget approach, they see persistent challenges to efficacy and impact. Deputy Blankenship reported low participation in the budget tool submissions, inconsistent data repositories, persistent push-back from the same departments cycle-after-cycle, and low compliance to performance reporting periods. She stated this was the case among some departments with mostly white male staff.

For example, law enforcement and fire departments tend to submit incomplete forms, omit racial equity metrics and goals, and report inability to see how racial equity is pertinent to their budget requests. In spite of receiving training and feedback, an intervention has yet to break through cultural barriers.

Furthermore, Seattle has yet to develop sufficient data and evaluation metrics to demonstrate outcomes and provide feedback to departments. This is due to the lack of mandate requiring completion of racial equity processes and lack of capacity within the Budget Office to provide the ongoing cohesion across departments required to make systemic changes, normalize racial equity lensing, and formally evaluate.

Seattle sees challenges due to:

- Jurisdiction lacks policy infrastructure for participation.
- Budget Tool lacks required use.
- Jurisdiction lacks structured racial equity training, happens on an ad hoc basis, insufficient.
- The Budget Office does not track, measure, or evaluate participation or outcomes; estimates 50% return rate with low efficacy of response.
- Department culture unchanged towards racial equity, creates ongoing challenges to the efficacy of the Budget Office and Office of Civil Rights efforts and tool implementation. Example: Seattle Public Safety Departments, such as Fire and Police, are constant sources of pushback
- Insufficient collection and use of data means that in its more than decade of use, the city has not analyzed performance and outcomes of the budget tool.
- Insufficient capacity in fiscal offices for analyses and technical assistance
- Conducts only one round of feedback for budget submissions, but lacks further follow up on budget proposal development.

**Recommendations**

Two major themes came out of studying how best California may actualize a State of Racial Equity. First, budget processes are where power resides to disrupt histories of government disinvestment, economic exclusion extraction, and harm. Without changing how and where money is spent little will change. If California enacts a budget tool in the Department of Finance Budget Change Proposal Process alone and
without holistic systems change, it will fail to account for other critical intervention points through the bureaucracy along the path to the legislature as well as the essential racial equity capacity that must be in place to affect any change. Second, California’s racial equity aspirations will fail unless they are anchored by deep, meaningful, capacity building across all branches of government, up and down throughout the hierarchy, and in all functional areas including executive leadership, management, program, finance, administration, policy, workforce, services and contracts, and more. The following recommendations are heavily dependent upon implementing best practices shown to operationalize and affect distributional and procedural equity, and create processes that are sustainable, accountable, and measurable. These “Operationalizing Recommendations” follow in more detail below.

To actuate the spirit of Executive Order N-16-22 and the Governor’s internal memo to department leaders on embedding equity, the State of California should:

1. **Require a Racial Equity Budget Tool as part of an enhanced state government budget process.**
   Each state-level agency should train on and develop racially equitable budget proposals in alignment with state- and department-defined racial equity and reparations goals and submit these proposals as a required part of the state budget process. The assessments should then be analyzed and enforced with robust feedback processes by Department of Finance fiscal analysts and racial equity practitioners.

   The state legislature should similarly prioritize and incentivize racially equitable government spending proposals. While the California State Legislature and the Legislative process are key facets and actors with decision making power and influence and there is undoubtedly a gap in their leadership on racial equity, commitments to racial equity, and framework to be accountable to racial equity impacts and values - that area of opportunity is beyond the reach of this research project and would greatly benefit from a national and international scan for promising practices.

2. **Establish a resourced, dedicated, permanent Office with the mission of coordinating across the enterprise to build capacity and ensure continuity, accountability, and sustainability across all of state government for racial equity.**
   In order for the state government to function in alignment with racial equity and reparations values and produce racially equitable outcomes, State of California employees must develop racial equity and reparations capacity and competency in racially equitable, reparative budget and policy development and implementation, and decision making. The Office should provide guidance and leadership to state entities on promising practices and strategies.

**Recommendation 1. Require a Racial Equity Budget Tool as part of an enhanced state government budget process.**

Making substantive changes to California’s State Government budget processes by implementing a “budget tool” while incentivizing and prioritizing programs, policies, and budgets is in alignment with national best practice approaches to actualizing racial equity. But California’s policies and practices will need to go farther than currently required. At present, the EO and the internal equity memo require equity to be embedded in the Budget Change Proposal Process and generally embedding equity into budget processes.
State entities should provide and participate in and train on racially equitable budgeting for government and they should develop racially equitable budget proposals. The state budget process should center and prioritize racial equity and all budget proposals and the state budget process should be assessed by DOF for alignment with racial equity values.

In several jurisdictions, racial equity budget processes initiated and managed by fiscal offices anchor a locale's racial equity work. After analyzing the breadth of national progress in this area, it can be expected that this can only be one input into a larger, more coordinated, comprehensive effort for California. In small jurisdictions where the budget office is in closer proximity to other departments engaging with smaller quantities of staff, it is more feasible to approach racial equity change in this manner. Importantly, however, these jurisdictions with the most robust approaches, meaning that departments adhere to processes, and budget offices are able to analyze appropriately, etc, the most common structure includes a racial equity “Office.” This office appears to be effective as either independent and embedded within budget offices, at least in these smaller locales.

In cases where the Office of Racial Equity is within a fiscal office, they function similarly to when they are independent. On the ground, this most commonly and effectively looks like the Racial Equity Budget Tool being developed collaboratively by Racial Equity Practitioners (REPs) and Budget Office staff (BOS). The co-development process must include co-training, as in, REPs receive budget training (in some locales these are called “Budget Bootcamps” provided every fiscal cycle to orient racial equity staff to budget processes). Similarly, BOS receive racial equity training to orient them to racial equity as a topic of learning, as well as how to apply racial equity principles to budget processes. They should train how to analyze Racial Equity Budget Tool submissions and provide robust, iterative feedback that support departmental development of more racially equitable proposals that are favored and prioritized by the Department of Finance and, ideally, the California Legislature. The REBT is released in tandem with all general budget cycle materials. Any budget cycle meetings and fiscal year training integrate racial equity budgeting and instruction on the REBT process, including expectations, examples and technical assistance. Technical assistance for the REBT should be provided throughout the budget season infused with racial equity capacity building.

One of the most important aspects of budgeting for equity and reparations is required participation. “Requiring participation” means both (1) that every state government agency must document its racial equity priorities when it requests funding from the Department of Finance, and (2) that every state employee is required to attend meaningful training about what racial equity means, about how to measure it, and about how to change the agency’s budget allocation in order to advance it.

To see how these requirements will give the Racial Equity Budget Tools (REBTs) bite, consider an example. In requesting budget allocations from the Department of Finance, the Department of Health and Human Services would need to report the following (example from Oregon’s DEI Framework for budget and policy analysis):

- Reflections on the category of provision or service is of issue and how it aligns with equity goals, what the racially equitable outcome will be, and how it lessens inequality
● Analysis of disaggregated data used to qualify the need of the program; who will benefited and burdened
● Reflections on how community input from impacted areas was integrated into the decision to create and implement the service or provision
● Projects on how racially equitable outcomes will be experienced and measured

Oregon State’s Racial Equity Framework is not a specific budget tool but it is a robust example of an all-around budget, policy, and program assessment tool. (Note: Please see Google Drive Racial Equity Tool Repository for more REBTs)

In two jurisdictions, governments implement Racial Equity Budget Review Committees to support equity changes to budget and policy proposals. In King County, Washington, the committee is made of Black, Indigenous, People of Color “employee leaders,” analysts, and racial equity practitioners from the relevant government agencies proposing the program/budget. This translates to cultivating racial equity leadership from inside each department, empowering staff with racial equity praxis and institutional working knowledge of their own departments. In King County, this process is convened by the county’s budget department and applies to policy and program analyses. The committee performs equity assessments and, in some cases, score based on the degree to which the proposal advances racial equity. The committee’s reviews and scores were provided to a “senior leadership team.” In Portland the review committee is composed of racial equity practitioners and citizens. City leadership hold community meetings and form equity budget review committees that also participate in budget priority-setting.

Robust analysis of the REBT submissions should be required by staff with the capacity and knowledge to support the process effectively. It is important to remember that this work, especially in the State of California, requires and deserves fully resourced, dedicated staff with budget and racial equity competencies. In Portland, on top of the Racial Equity Budget Review Committee processes, the REBT submissions from every department are reviewed and assessed by the Office of Equity and Human Rights to ensure continuity and give each submission the time and attention, and feedback they deserve. The OEHR stated that they frequently provide iterative feedback for submissions that need support to develop racial equity goals. In most cases, departments’ budget staff simply are not equipped with the racial equity capacity required to make robust equity assessments and projects, and the OEHR provides this in real time. The OEHR also provides accountability to each department with specific assessments and scores on their racial equity progress and budget cycle submissions, and participation quality. These assessments are provided internally and for the sole purpose of illuminating where there are areas to grow into and emphasize future learning opportunities the Office can target with specific tools. It is not for the purpose of shaming, nor to induce white-supremacy-culture-competition for high scores.

**Operationalizing Recommendation 1.**

Based upon interviews with subject matter experts the following operationalizing elements are identified as key to achieving racially equitable outcomes. In California, operationalizing Racial Equity Budgeting requires:

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The State of California should develop a Racial Equity Budget Tool (REBT) embedded into budget processes. An independent form/tool packet 15 pages long is recommended. This independent document external from but linked to the general Budget Change Proposal, allows for the necessary racial equity information to orient and instruct the “tool user” how to proceed effectively. An independent document is spacious enough to provide necessary assessment and projections for racial equity results. The REBT is standardized and consistent, but also evolving and iterative as needed. The Department of Finance and Department leadership should provide avenues for user feedback to make improvements and enhance equity impacts.

The REBT should consist of the questions related to the foundational Racial Equity Framework guidance from GARE, Race Forward, and CCORE:

- How does the budget request align with Racial Equity? With State-/Department-directives for Racial Equity?
- What racial disparities will the program/initiative improve? What gaps will be closed?
- Who will be impacted, benefitted, and burdened?
- What disaggregated data did you use to make projections?
- How has power been shared with impacted communities, and communities been included in goal-setting & decision making? How have relationships been fostered for ongoing inclusion?
- How will impacts be measured and evaluated?

The State of California should facilitate year-round Racial Equity Budget Tool training and technical assistance for the REBT. Ongoing orientation and iterative development of the process in collaboration with department budget staff, leadership, and racial equity leads is critical to facilitating learning and capacity building, and embedding racial equity into daily practice. Training should include aligning department budgets, policy and program development and implementation to state and department racial equity actions plans using results-based accountability and racial equity outcome planning.

Racial Equity Practitioners should work with fiscal analysts throughout the budget cycle. Racial Equity Practitioners, the State of California Office of Racial Equity, and Department of Finance budget analysts should co-learn and co-develop and co-implement and review REBT submissions. Racial equity practitioners and Office of Racial Equity staff should provide enhanced capacity during the review process.

The Racial Equity Budget Tool should be used at the State Agency, Department of Finance, and, ideally, Legislative levels to assess and prioritize racially equitable policies, programs, and budget proposals. Before a proposal reaches the Department of Finance, it goes through levels of internal department assessments. Throughout this process the REBT should be applied and policies, programs, and budgets that forward racial equity should be incentivized and prioritized. The same is true for the various levels and stages that involve the Department of Finance, and of the Legislature, though it is out of the scope of this report. What this means is that racial equity practitioners who work in departments, leadership, department budget staff, racial equity teams and leads meet regularly and develop and actuate racial equity programs, policies, and budgets intentionally and through the use of the REBT.
The State of California should require REBT submissions for every budget request. The State of California should assume that all policies, programs, and budgets have racial implications. Budget proposals that may appear race-neutral may be applied to a community or geographic area of historical racism and discrimination and may be unevenly applied or distributed without assessing the racial impacts of every proposal.

The Department of Finance and Department Racial Equity Offices, Leads, and Teams should co-develop and implement structured review processes and compassionate feedback protocol. Throughout the Racial Equity Budgeting process, State of California Staff with varying racial equity strengths and competencies will co-create racial equity processes, actions and behaviors. These robust, analytical, data-driven budget processes are also public policies with direct impacts on the people who receive benefits or burdens from policies and investments and on the staff engaged in unlearning lifelong cognitive processes and developing new skills and ways of viewing their own work and the work of government. Review and feedback protocol should be compassionate and gentle as well as firm.

Recommendation 2. Establish a resourced, dedicated, permanent Office with the mission of coordinating across the enterprise to build capacity and ensure continuity, accountability, and sustainability across all of state government for racial equity.

Acknowledging the political delicacies and infrastructure costs associated with establishing a California Office of Racial Equity, an Office remains crucial to state level racial equity and reparations work. An Office provides leadership, guidance, accountability, consistency, continuity and coordination for systems change at all levels. Without establishing an Office, the State will likely fail to actuate substantive, measurable changes.

Given state and local processes described by governments interviewed for this study, it is expected in the State of California’s case that coordination, guidance, technical assistance, training, enforcement, and accountability require the support of a fully staffed, permanent Office. California’s stature makes a dedicated, capacious coordinating leadership body even more critical than in other locales.

Different locales are taking different approaches to institutional racial equity transformation. However, the consensus is certainly that capacity, dedicated resources, and continuity are invaluable. This came up time and time again in interviews and when stakeholders were asked what is most important for California. While there are only four states presently undertaking this feat, there is evidence that state level offices of racial equity are the goal and priority of each.

Michigan provides a prime example. The State of Michigan does not currently have a State Office of Equity and Inclusion though State racial equity change makers in government long-recognize the necessity of one. It has requested appropriations during several budget cycles for one and the Chief Equity Officer reported they believe this coming year the legislation may successfully pass to create one. The state has a robust approach that created a structured strategy of racial equity praxis and has continued to actuate advancement using coordinated tiers of racial equity practitioners, working groups, and teams under guidance of leadership and a powerful Chief Equity and Inclusion Officer in the Governor’s Office.
Notably, the CEIO stated that because there is not a central Office of Equity and Inclusion, the state’s racial equity work could easily be dismantled by a change of staff or administration. Their approach is a “work around,” and it is described by the CEIO as unsustainable, lacking capacity, dedicated resources to accomplish goals and gubernatorial directive’s, and lacking continuity in multiple ways across the enterprise.

The State of California may attempt to “work around” the absence of a capable Office but I predict, given my study of the state and the landscape of national praxis, that it will not produce consistent, sustainable racial equity outcomes and fail to enable the directives by the current administration.

The Office should provide a central anchor point within the enterprise, publicly and explicit in its role and commitment to racial equity. The office anchors the scaffolding for racial equity within and across the institution of state government providing support for established offices and positions, as well as those to come.

One key factor of success recommended by several large jurisdictions, including Canada and Michigan, is to require State of California’s departments to develop Racial Equity Action Plans tailored to their internal and external department functions. Internal functions means for example Human Resources, and particular operating policies, budgets, and practices, or aspects of internal function related to development and maintenance of the department’s services and provisions. External functions relate to the department-specific services, provisions, and programs, received by the public; its racial equity capacities and goals as they relate to public experience of the department. After review of policies around the country and interviews it is clear that the only effective way to accomplish this is to legislate the requirement. In virtually every case where government-wide racial equity frameworks were requested without legal mandate and formal implementation guidance, uptake is dramatically low. This means that a small fraction of the departments ever complete the REAP. Furthermore, voluntary processes will take even longer than mandated ones. Departments would have to individually and subjectively discern how to approach the plans, finagle department budgets to find resources, and organize siloed, inconsistent training and development. An unsupported REAP request for all State of California entities will be ineffective and inefficient. The Racial Equity Commission may be able to affect greater uptake but without the Commission possessing convening power to request department secretaries deliver REAPs and report periodic progress on delivering outcomes, it is unlikely that all or even most of the State’s departments will be able to comply.

Racial Equity Practitioners should be cultivated and embedded in the State of California enterprise as critical agents for developing communities of practice, coordination within and between departments, leadership, secretaries, and the executive. They are also critical in moving forward racial equity work in the daily functioning of the department by supporting racial equity visualizing, normalizing, organizing, and operationalizing.

“[Racial Equity Practitioners in] Leadership? There is a night and day difference in capacity when departments have equity advocates and experts, meaning equity practitioners paid to think about equity in their roles. Departments that have practitioners are more innovative in policy and programs, and in prioritizing equity. For example, because the Department of Transportation employs racial equity staff,
the department developed an equity matrix to ensure investments in neighborhoods with low income and high BIPOC percentages with a scoring matrix based on need with a strong equity lens. That’s where their money goes first. The Department of Transportation is large so it has two equity managers. Their department investments are more thoughtfully done, their presentations on equity are more thorough.” - Asena Lawrence, Office of Equity & Human Rights, Portland, Oregon

**Operationalizing Recommendation 2.**

In California, operationalizing a resourced, dedicated, permanent Office to promote racial equity capacity building and ensure continuity, accountability, and sustainability across all of state government requires:

The State of California should permanently establish the State of California Office Racial Equity (CORE) that does the following:

Racial Equity Practitioners (REPs) should staff and develop criteria for hiring the CORE. REPs should lead the CORE, and staff appropriately to the needs of the Office. CORE should have staff dedicated to racial equity capacity building, coordination and accountability within the Office and throughout the enterprise. The CORE should coordinate with the Racial Equity Commission.

The CORE should provide racial equity capacity and competency building guidance across the enterprise. The CORE should coordinate, contract, and support racial equity learning opportunities. These should consist of overall racial equity training and the REBT education, training, and technical assistance.

The CORE should be empowered appropriately to convene State of California department secretaries and racial equity teams and to initiate racial equity training to State of California departments as needed.

The CORE should be empowered to coordinate, facilitate, and/or perform racial equity assessments on State of California departments internal and external functions, REAPs, and budgets, policy, and programs development.

The CORE should be capable of and responsible for measuring and evaluating California State Agencies and their racial equity progress.

The CORE should provide strategic guidance and partnership to State entities for their racial equity development. This includes providing learning and tools necessary for departments to perform racial equity action plans and robust racial equity department goal-setting and racial equity budget, policy, and program development.

The CORE should provide guidance on and elevate promising Community Engagement practices across the enterprise. See above section on “Community Relationship and Inclusion.”

The CORE supports coordination across State entities developing the State of California’s data dashboard. The State of California’s racial equity data innovation directives should include an open-
access racial equity data dashboard. The dashboard should provide and analyze disaggregated demographic data, geographic area mapping and racial equity “indicators.” “Indicators” refer to public to determinants of equity, which are Early Childhood Development, Education, Jobs and Training, Health and Human Services, Food Systems, Parks and Natural Resources, Built and Natural Environments, Transportation, Community Economic Development, Neighborhoods, Housing, Community and Public Safety, and Law and Justice. 34

The CORE should co-develop and co-implement the Racial Equity Budget Tool with the Department of Finance. In jurisdictions studied, most governments have Offices of Racial Equity (or similar language) that are either embedded within the fiscal department or external and independent. In either case, the Offices of Racial equity are in complete alignment with the fiscal offices’ budget processes. The two entities collaborate on development and implementation of the REBTs.

The CORE should provide technical assistance for the Racial Equity Budget Tool for State of California staff across the enterprise. Most commonly and effectively, Offices of Racial Equity, made of fiscally trained racial equity staff and budget analysts provide ongoing, iterative support for budget, policy, and program development related to the REBT.

The CORE should serve as technical advisor to the Department of Finance in analyzing Budget Change Proposals. The CORE should provide the racial equity and reparations lensing, philosophical structure, and accountability. As discussed earlier in this report, current government praxis incentivizes and in some cases requires bureaucratic processes that entrench white supremacy culture and white supremacy approaches to goal-setting, analysis and decision making. The CORE should advise on transformational approaches to California’s Budget Change Proposal process.

The CORE should partner with the California Department of Finance on quality improvement and impact analysis of the Budget Tool. This means supporting development of the tool, metrics for analysis and outcomes, evaluation protocol and overall analysis assistance and guidance.

The CORE should receive structured, periodic reports on State of California departments Racial Equity Action Plans.

The CORE should coordinate with the California Racial Equity Commission and bolster the top level oversight and coordination functions of the Commission.

The CORE should expand and enhance human infrastructure composed of experienced racial equity staff across the enterprise and within each California State Agency. This looks like the following example from the State of Michigan:

- CORE and State of California Agencies should identify Racial Equity Leads in each organization to provide leadership and collaboration support to CORE, department leadership and other State Agencies

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● CORE and State of California Agencies should identify a Racial Equity Strategy Team possessing positional authority to guide and organize Racial Equity Leads, Working Groups and agencies’ racial equity development and implementation.

● Racial Equity Leads and Strategy Teams should develop and guide Racial Equity Working Groups of state staff who forward racial equity projects and programs, internal and external to agency work.

● Racial Equity Leads should replicate the above model and affect racial equity impacts within their departments.

● Strategy Team should coordinates with Racial Equity Commission and California Office of Racial Equity

● Racial Equity Teams, Leads, and Working Groups should:
  ○ Collaborate in development of Racial Equity Action Plans
  ○ Implement priorities identified in Racial Equity Action Plans
  ○ Report progress and department needs to the California Office of Racial Equity and Racial Equity Commission

Appendices

Appendix I.

State of Oregon Racial Equity Toolkit (2021)
Racial Equity Budget Impact Statement Worksheet
Advancing racial equity in Oregon will take foundational reform. Racial disparities persist across key indicators of success including health, education, housing, and economic opportunity amongst others. A budget is a moral document, a statement of our state’s priorities and a critical opportunity to advance racial equity. The Racial Equity Assessment Worksheet serves as a tool to apply a racial equity lens to the budget development process and assess how programs benefit and/or burden Tribal/Native American, Black/African American, Latino/a/x, Asian, Pacific Islander, Arab/Middle Eastern/North African, Immigrant, and Refugee communities. The worksheet questions serve as a tool to deepen agencies’ racial equity impact assessment for the programs (budgets) in consideration.

Step 1. Set Equity Outcomes and Define Impact
1. Does your agency have an Equity Strategic Plan? (Please circle response) Yes / No
If so, what does your agency define as the most important equitable community outcomes related to the investment or program?
2. What is the program under consideration?
3. Which racial equity opportunity areas will the program primarily impact? (Check all that apply)
   ● Criminal Justice Reform and Police
   ● Accountability
   ● Economic Opportunity
   ● Education
   ● Environmental Justice/Natural Resources
   ● Health Equity
   ● Housing and Homelessness
   ● Jobs/Employment
   ● Other
Are there impacts on:
   ● Contract/Procurement Equity
   ● Culturally Specific Programs and Services
   ● Immigrant and Refugee Access to Services
   ● Inclusive Communications and Outreach
   ● Workforce Equity
   ● Other: ______________________

Please explain your selection:

4. What are the desired results and outcomes with this program?

**Step 2. Analyze Data**
5. Does the program have different impacts within different geographic areas? (Please circle response) Yes / No
6. What are the racial demographics of those living in the area or impacted by the program?
7. How are you collecting, reviewing, and analyzing demographic data to inform program decisions?
8. How are you notifying and educating constituents in the collection of this data and how it will be used?
9. How is demographic data being woven into program decision-making? Will this data, or a version of this data, be incorporated into the agency’s open data efforts, so that constituents may view and understand this dataset?

**Step 3. Determine Benefit and/or Burden**
10. Who benefits from the program, both directly and indirectly?
11. Who will be burdened from the proposal?
12. How does the program increase or decrease racial equity? Does the program have potential unintended racial equity consequences? What benefits may result?

**Section 2. Guiding Questions to Operationalize Racial Equity**
Below are some guiding questions to apply the DEI Action Plan strategies in all development and implementation State of Oregon’s policy, practice, budget, program and service decisions.

**Inclusive Communications**
1. How do we ensure our communications and messaging are getting to all Oregonians?
2. Who are the communities being left behind and how do we connect with those communities? What processes are in place for:
   ● Translating and interpreting agency communications?
   ● Ensuring that ADA requirements are met or exceeded?
   ● Communicating with people who may be unable to read, lack access to the internet, and/or need information through alternate media?
   ● Working with trusted messengers and local leaders to communicate with communities?
   ● Seeking early input to inform the development of communications materials?

Data Collection and Data-informed Decision-Making
1. Are we collecting, reviewing, and analyzing demographic data to inform mitigation measures, communication strategies, and targeted investments?
2. How are these data being woven into decision making?
3. Who is interpreting the data?
4. Is the data being used to impact systems rather than define people?
5. Was there a community engagement or other outreach process in the creation of this data system, collection methodology, or standard?
6. Will this data be made publicly available as open data to support the state’s vision for transparency?

Community-Informed Policy and Partnerships
1. How are we ensuring we have representation of voices across race, ethnicity, culture, color, Tribal membership, disability, gender, gender identity, marital status, national origin, age, religion, sexual orientation, socio-economic status, veteran status, and immigration status? And geographically?
2. What are the ways we engage agency equity leaders and communities in decision-making currently?
3. Whose voices and perspectives are not at the table? Why?
4. What can we do to ensure they are part of our decision-making process?
5. What are the barriers that keep communities from participating in decision-making?
6. How are we ensuring that we provide access to and address the needs of:
   ● Language?
   ● Technology?
   ● Physical accessibility?
   ● Adequate support and preparation?
   ● Financial support?

Resource Allocation and Accessibility
1. How are we ensuring that forms of response/relief/benefit/resource/budget allocation are:
   ● Going directly to the communities who need it?
   ● Accessible regardless of disability or status?
   ● Accessible regardless of language?
   ● Compliant with the ADA requirements?
   ● Accessible regardless of access to technology?
   ● Supporting, consulting, and/or partnering with tribes?
   ● Accessible regardless of geographic location including rural Oregonians?
● Being prioritized for communities already living on the margins (e.g., older adults, gender, ethnic, and racial minorities, immigration status, socio-economic status)?

2. Are we using strategies that are culturally specific and responsive to address the distinct needs of Oregonians? If not, what resources or community partners can we consult with to develop culturally specific and responsive strategies?

3. Are our programs and services providing reasonable accommodations in compliance with the ADA to Oregonians? If not, what resources or partners can we consult with to develop strategies to better support people with disabilities?

**Evaluation**

1. What measurable outcomes are most important to our historically and currently underserved communities?

2. How will impacts be documented and evaluated?

3. How will our communities participate in the evaluation process?

4. Are we achieving the anticipated outcomes?

5. Are we having a measurable impact in the communities?

6. How are we consistently communicating our efforts with our communities and demonstrating our results?

7. How do we collect and respond to feedback?

8. How do we use these results to continually reevaluate and improve our efforts?

9. How are we ensuring these partnerships do not exploit the communities we seek to engage?

10. How will we operationalize equity and create accountability systems?

11. How will we ensure adequate capacity to implement strategies as outlined?

**Appendix II.**

**Glossary of Racial Equity Terms**

*Reparations Lens* is the application of reparations framing; a way of viewing, analyzing, assigning and accepting responsibility for, and repairing past injustices and systemic and institutional harms to Black, Indigenous, Latinx, Chinese, Japanese, People with Disabilities, and Trans-Queer communities. Applying a Reparations Lens to government policy, program, and budget processes requires the State Government at all levels taking responsibility for past social, political, and economic harms, displacement, theft, violence, and abandonment conducted against any marginalized and impacted groups. The Reparation Lens seeks to effectively repair harm through economic, social, political, and health modes to restore negatively impacted groups to whole citizenship and opportunity.

*Colonialism* is a practice of subjugation and economic exploitation of one people over another, through political and economic control, often involving extraction of resources and/or removal of people from an existing place.

*Procedural Equity* is inclusive, accessible, authentic engagement and representation in processes to develop or implement sustainability programs and policies. It is actualized through work with community-based organizations to engage stakeholders in the development and implementation of goals, strategies, and actions.
**Distributional Equity** are programs and policies resulting in fair distribution of benefits and burdens across all segments of a community, prioritizing benefits to those communities with highest need. Equity is advanced by assessing the distribution of resources and opportunities, and prioritizing investments and services in communities where there is poor access to resources and opportunities.

**Targeted Universalism** is a platform to operationalize programs that move *all groups* toward the universal policy goal as well as a way of communicating and publicly marketing such programs in an inclusive, bridging manner.

**Racial Equity** means closing the gaps so that race can no longer predict any person’s success, which simultaneously improves outcomes for all. To achieve racial equity, we must transform our institutions and structures to create systems that provide the infrastructure for communities to thrive equally.

**Dysconscious Racism** an uncritical habit of mind (including perceptions, attitudes, assumptions, and beliefs) that justifies inequity and exploitation by accepting the existing order of things as given.

**Color-Blind Racial Ideology** is the belief that people should be regarded and treated as equally as possible, without regard to race or ethnicity. While a color-blind racial ideology may seem to be a pathway to achieve equity, in reality it ignores the manifestations of racist and discriminatory laws and policies which preserve the ongoing processes that maintain racial and ethnic stratification in social institutions.

**Equity** is defined as “the state, quality or ideal of being just, impartial and fair.” The concept of equity is synonymous with fairness and justice. It is helpful to think of equity as not simply a desired state of affairs or a lofty value. To be achieved and sustained, equity needs to be thought of as a structural and systemic concept.

**Systematic equity** is a complex combination of interrelated elements consciously designed to create, support and sustain social justice. It is a robust system and dynamic process that reinforces and replicates equitable ideas, power, resources, strategies, conditions, habits and outcomes.

**Inclusion** is the action or state of belonging in a group or structure. More than simply diversity and numerical representation, inclusion involves authentic and empowered participation and a true sense of belonging.

**Racial justice** is the systematic fair treatment of people of all races that results in equitable opportunities and outcomes for everyone. All people are able to achieve their full potential in life, regardless of race, ethnicity or the community in which they live. Racial justice — or racial equity — goes beyond “anti-racism.” It’s not just about what we are against, but also what we are for. A “racial justice” framework can move us from a reactive posture to a more powerful, proactive and even preventative approach.

**Diversity** means honoring and including people of different backgrounds, identities, and experiences collectively and as individuals.

**Race** is a socially constructed system of categorizing humans largely based on observable physical features (phenotypes) such as skin color and on ancestry. There is no scientific basis for or discernible distinction between racial categories. The ideology of race has become embedded in our identities,
institutions and culture and is used as a basis for discrimination and domination.

The concept of **racism** is widely thought of as simply personal prejudice, but in fact, it is a complex system of racial hierarchies and inequities. At the micro level of racism, or individual level, are internalized and interpersonal racism. At the macro level of racism, we look beyond the individuals to the broader dynamics, including institutional and structural racism.

**Internalized racism** describes the private racial beliefs held by and within individuals. The way we absorb social messages about race and adopt them as personal beliefs, biases and prejudices are all within the realm of internalized racism. For people of color, internalized oppression can involve believing in negative messages about oneself or one’s racial group. For white people, internalized privilege can involve feeling a sense of superiority and entitlement, or holding negative beliefs about people of color.

**Interpersonal racism** is how our private beliefs about race become public when we interact with others. When we act upon our prejudices or unconscious bias — whether intentionally, visibly, verbally or not — we engage in interpersonal racism. Interpersonal racism also can be willful and overt, taking the form of bigotry, hate speech or racial violence. Institutional racism is racial inequity within institutions and systems of power, such as places of employment, government agencies and social services. It can take the form of unfair policies and practices, discriminatory treatment and inequitable opportunities and outcomes. A school system that concentrates people of color in the most overcrowded and under-resourced schools with the least qualified teachers compared to the educational opportunities of white students is an example of institutional racism.

**Structural racism** (or structural racialization) is the racial bias across institutions and society. It describes the cumulative and compounding effects of an array of factors that systematically privilege white people and disadvantage people of color. Since the word “racism” often is understood as a conscious belief, “racialization” may be a better way to describe a process that does not require intentionality. Race equity expert John A. Powell writes: “‘Racialization’ connotes a process rather than a static event. It underscores the fluid and dynamic nature of race… ‘Structural racialization’ is a set of processes that may generate disparities or depress life outcomes without any racist actors.”

**Systemic racialization** describes a dynamic system that produces and replicates racial ideologies, identities and inequities. Systemic racialization is the well-institutionalized pattern of discrimination that cuts across major political, economic and social organizations in a society. Public attention to racism is generally focused on the symptoms (such as a racist slur by an individual) rather than the system of racial inequality. Like two sides of the same coin, racial privilege describes race-based advantages and preferential treatment based on skin color, while racial oppression refers to race-based disadvantages, discrimination and exploitation based on skin color.

**Accessibility:** The extent to which a space is readily approachable and usable by people with disabilities. A space can be described as:
- Physical or literal space, such as a facility, website, conference room, office, or bathroom
- Figurative space, such as a conversation or activity
- Digital space, such as a website
**Anti-Black Racism** is any attitude, behavior, practice, or policy that explicitly or implicitly reflects the belief that Black people are inferior to another racial group. Anti-Black racism is reflected in interpersonal, institutional, and structural levels of racism.

**Anti-Racism** is the active process of identifying and challenging racism, by changing systems, organizational structures, policies and practices, and attitudes, to redistribute power in an equitable manner.

**White Privilege** is the unearned power and advantages that benefit people just by virtue of being white or being perceived as white.

**Xenophobia** is any attitude, behavior, practice, or policy that explicitly or implicitly reflects the belief that immigrants are inferior to the dominant group of people. Xenophobia is reflected in interpersonal, institutional, and systemic levels of oppression and is a function of white supremacy.

Appendix III.

**Racial Equity Framework Data**

**List of Analyzed Racial Equity Budget Frameworks:**
- Albuquerque, NM
- California Department of Finance
- Chicago, IL
- Dubuque, Iowa
- Durham, NC
- Louisville, KY
- Madison, WI
- Marin County, CA
- Milwaukee County, WI
- Montgomery County, MD Office of Legislative Oversight Legislative Review Tool
- Nashville, TN
- Oakland, CA
- Oregon State Department of Revenue
- Philadelphia, PA
- Portland, OR
- San Antonio, TX
- San Francisco, CA
- San Jose, CA
- Santa Clara County, CA
- Seattle, WA
- Washington, DC

Appendix IV.

**Internal California Agency Memo**
MEMORANDUM

Date: August 18, 2022

To: Agency Secretaries and Department Directors

From: Ana Matosantos, Cabinet Secretary
Office of Governor Gavin Newsom

Subject: [ACTION REQUIRED] Embedding Equity – CONFIDENTIAL

Dear Agency Secretaries and Department Directors,

Together, at the Governor’s direction, we have developed important initiatives and investment to advance justice, celebrate diversity, and improve well-being by taking intentional steps to reduce disparities in access and outcomes - including expanding access to health coverage, establishing universal Pre-K, improving access to parks for all, and much more. The pandemic, persistent income inequality, and acts of racial injustice greatly underscore the importance of our continued focus on equity and of the ability of government to improve opportunity and freedom to advance a California for All.

California for All means working to support every Californian’s opportunity to achieve a better life, regardless of where they start out. Life outcomes should not be predicted by zip codes or demographics.

Advancing equity supports equal outcomes and shared prosperity so all Californians may lead healthy and thriving lives. Additionally, equity supports the administration’s ability to successfully serve all Californians, by ensuring no Californian is left behind.

“Equality” is providing everyone the same, equal treatment. By contrast, “equity” creates paths to equal outcomes by recognizing that some people and communities have unequal starting points driven by different histories, historical treatment, circumstances, strengths, and needs. Through an equity approach, actions, policies, programs and procedures are shaped to address unequal starting points and drive equal outcomes so all Californians may reach their full potential.
Across the administration, important efforts to advance equity through strategic priorities and operations are well under way. However, to strengthen our public service to all Californians, we must ensure equity is an ongoing core function by embedding it in our actions, policies, programs and procedures. This requires analysis of demographic and geographic gaps, data tools, community engagement and initiatives that address disparities in communities who have been excluded, underserved and marginalized.

This memorandum directs all State agencies and departments to implement the following actions, within the specified time frame. This is an important step towards embedding equity that will be accompanied by additional efforts.

These requirements as outlined are both actionable and achievable for state entities to implement and do not require additional funding via Budget Change Proposals. To achieve recent and significant equity commitments, we must be judicious about requests for new resources. For the below actions, I encourage you to review existing actions, policies, programs, and procedures that may be addressed with current resources. Priorities that require future resources will be assessed through the annual budget process.

**REQUIREMENTS:**

1) **State Budget.** The Department of Finance will embed equity within the state budget process through the Budget Change Proposal template. Beginning this year, State agencies and departments will be required to complete an equity analysis in their requests for new resources, as applicable.

2) **Action Plans for 2023 Priorities.** To advance the mission of all State agencies and departments, all organizations are directed to identify 3-5 top priorities for 2023 and the action plan to embed equity in those priorities with a framework involving demographic and geographic gaps, data tools, community engagement and initiatives. Please see Appendix A for the Action Plan Template and Appendix B for the instructions.

3) **Governor’s Office Agency Meetings.** Agencies are directed to participate in Governor’s Office (GO) convened meetings on the following topics. Many of these are existing meetings where equity will be newly included in the recurring agenda. These meetings, also known as “communities of practice”, are working groups to support knowledge sharing and best practices for advancing 2023 action plans and any additional equity efforts. Please see Appendix C for information regarding the cadence and participation for these meetings.
   - Policy & Program Actions
   - Operations
   - Civil Rights
   - Public Engagement
   - Public Awareness
   - Media Communications
   - Government-to-Government with Tribal Governments
4) **Agency-Department Meetings.** Agencies are directed to form their own Agency-level working groups or “communities of practice” with their Boards, Departments and Offices, by embedding equity in existing and new convenings that lead Agency-wide policies and programs, engagement, and operations, by December 2022. This information should also be captured on the Action Plan Template.

Thank you in advance for your partnership and collaboration to continue building towards a California for All.

Ana Matosantos
Cabinet Secretary
APPENDIX A – Action Plan Template

See: https://govca.box.com/s/ynhk4yeebfslekxf4im418js3p9b5ijz
APPENDIX B – Action Plan Template Instructions

Background: Below are instructions for developing the 2023 action plan in the provided template (Appendix A). Agencies are asked to consult their Deputy Cabinet Secretary in the GO and shall submit action plans to them by October 31, 2022.

ACTION PLAN SECTIONS:

A. Organizational Priorities for 2023: Each Agency and Department should identify their 3-5 top organizational priorities, with at least one internal operations priority, for 2023. Internal operations priorities on hiring or procurement should be coordinated with the Government Operations Agency (GovOps).

B. Equity Gap/Opportunity: Within those organizational priorities, please list gaps for demographic or geographic groups and opportunities to address.

C. Data-Driven Goals:
   a. Please provide key data-driven targets that the Agency will use to measure progress and gaps.
   b. Please provide key data metrics, sources, or tools that the Agency can use to track progress (or identify data challenges and plans to address)

D. Engagement Practices: Please list public engagement activities that will inform and assist the organization in pursuing the priority with equity embedded – specifically:
   a. Community Based Organization & Local Leader Partnerships Activities, aligned with demographic and geographic gaps and opportunities (in B)
   b. Ethnic and Multilingual Media Outreach Activities
   c. Government-to-Government Engagement with Tribal Organizations

E. Policy and Program Initiatives: Please list the primary policy and program initiatives that will advance the priority and address equity opportunities and gaps. These can be current or planned (if planned, please indicate launch date) and can cross multiple areas.

F. Internal Agency/Department/Office-Level “Communities of Practice”: Please provide information regarding the organization’s workgroup(s) leading the work outlined in the Action Plan for 2023 with Equity Embedded. This can be an existing or a new meeting. These are separate from the GO-Agency meetings.
   a. Community of Practice or Work Group Name:
   b. Lead Name & Title:
   c. Team Members:
**TERMS:**

**Community of Practice:** A community of practice (or workgroup) is a group that comes together to coordinate organizational activities included in the Action Plans to Embed Equity, drive continuous learning and improvement for the group and organization around embedding equity, and achieve the process and outcome goals in their scope. This could be an existing or new meeting.

**Data-Driven Goal:** A goal or target that is based on data analysis and interpretation and that can be measured.

**Government-to-Government Engagement with Tribal Governments:** State organization engagement with Tribal governments including, but not limited to, formal consultation.
APPENDIX C – Instructions for Equity Working Groups/ "Communities of Practice"

Below is information regarding the peer to peer “communities of practice” for Agency participation. Agencies are directed to participate in the following meetings, convened from October 2022 through December 2023 to support knowledge sharing and best practices in advancing their 2023 action plans and other equity efforts.

- **Policy & Program Actions** – This agenda will be integrated into the monthly meetings with Undersecretaries convened by the Chief Deputy Cabinet Secretaries.
  
  o The agenda will focus on the implementation of 2023 action plans and the development of strategic plans.

- **Operations** – This will be a new meeting convened by the GO Deputy Cabinet Secretary and co-chaired by the GovOps Chief Equity Officer, and GovOps Undersecretary. Participants should include the Department of Human Resources, the Department of General Services, and the appropriate Agency staff.
  
  o The agenda will focus on equity in state workforce and procurement, as well as data.

- **Civil Rights** – This will be a new meeting convened by the GO Deputy Cabinet Secretary and chaired by the Business, Consumer Services and Housing Agency designee. Participants should include Agency and Department Civil Rights officers.
  
  o The agenda will focus on increasing public access to civil rights.

- **Public Engagement** – This agenda will be integrated into the current GO External Affairs, with Agency External Affairs leads.

- **Public Awareness** – This will be a new meeting convened by the Governor’s Office Senior Advisor for Civic Engagement and Strategic Partnerships and co-chaired by the new Office of Community Partnerships & Strategic Communications. The agenda will focus on public awareness, education and outreach efforts.

- **Media Communications** – The agenda will focus on increasing press outreach with multilingual and ethnic media, as well as media opportunities to highlight actions driving equity and opportunity for all Californians. More information on meeting details will be forthcoming in the next few weeks.

- **Government-to-Government with Tribal Governments** – This agenda will be integrated into the existing quarterly meeting held by the Secretary of Tribal Affairs with Agency and Department Tribal Liaisons.

*Note:* GO Legal is planning to provide an overview of relevant federal and state constitutional requirements for undersecretaries and Agency counsel.
Appendix V.

City of Portland Office of Equity and Human Rights Sample Budget Equity Tool Submission

**Budget Equity Tool Review**

(Check all that apply in each column) – Feel free to add comments

<table>
<thead>
<tr>
<th>Budget Equity Tool Questions</th>
<th>Expandable</th>
<th>Compatible</th>
<th>Examples of Robust Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Requested Budget &amp; Racial Equity Plan Update:</strong></td>
<td></td>
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</tr>
<tr>
<td>QUESTION 1: How does the Requested Budget advance the achievement of equity goals as outlined in the bureau’s Racial Equity Plan?</td>
<td>Equity Goals</td>
<td>Equity Goals</td>
<td>Equity Goals</td>
</tr>
<tr>
<td>1. In what ways does the Requested Budget benefit Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities?</td>
<td>Needs to expand to have an equity goal identified for the coming year.</td>
<td>Includes an equity goal identified for the coming year.</td>
<td>1) Has an equity goal identified for the coming year. 2) Goal is realistic - i.e. it is achievable. 3) Goal aligns with Bureau’s Equity work. 4) Goal is identified as supporting internal or external equity efforts. 5) Goal aligns with Strategic Plan.</td>
</tr>
<tr>
<td>2. In what ways does the Requested Budget negatively impact Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities?</td>
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**BFM Entry: Header Tab, Equity Goals**

<table>
<thead>
<tr>
<th>Requested Budget Community Engagement:</th>
<th>Community Priorities</th>
<th>Community Priorities</th>
<th>Community Priorities</th>
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<tbody>
<tr>
<td>QUESTION 2: How has the bureau engaged with communities in the budget request to</td>
<td>Needs to expand to have community priorities, how it was</td>
<td>Includes community priorities, how it was</td>
<td>Includes community priorities; 2) engagement is inclusive; 3) Goals to meet community priorities are clear and realistic; 4) includes budget allocation for community priorities.</td>
</tr>
</tbody>
</table>

1) Continues our progress in recruiting, hiring, and retaining a diverse leadership team and staff. 2) Continues our progress toward offering services in at least English and Spanish. 3) Strengthens our internal capacity to provide accessible and efficient grant administration, track and collect data, and utilize technology in support of all our programs. 4) Maintains and builds upon partnerships with BIPOC-led organizations and communities. 5) Strengthens the impact of our grant programs that are open to the RFP process by prioritizing investments in efforts led by BIPOC leadership and that work to address racial inequities.
identify the priorities, particularly with Indigenous people, Black people, people of color, immigrants and refugees, multilingual, multicultural, and people with disabilities. How are these priorities reflected in this Proposed Budget?

**BFM Header Tab, Community Priorities**

<table>
<thead>
<tr>
<th>Constraints to Equity</th>
<th>Constraints to Equity</th>
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<tbody>
<tr>
<td>it was collected and reflected in the proposed budget.</td>
<td>collected and reflected in the proposed budget.</td>
<td>Examples:</td>
</tr>
<tr>
<td></td>
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<td>1. Our Budget Advisory Committee (BAC) recruited new members, focusing on BIPOC leaders. We have engaged our BAC in budget discussions each month.</td>
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<td>2. Program staff have consulted with key community partners through one-on-one conversations and listening sessions to continually learn about priorities and challenges throughout the year. We have taken this information into consideration when budgeting.</td>
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<td>3. Our proposed budget shields the programs with the highest impact in BIPOC communities from cuts. We have shielded cuts from our Diversity and Civic Leadership, Constructing Civic Dialogues, Immigrant &amp; Refugee, Disability, and Youth programs.</td>
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<td>4. 9% of Civic Life staff have served in the Emergency Coordination Center during the COVID-19 response, including five individuals working with the Joint Volunteer Information Center, Aging and Disability and Food Security sections. Significant community feedback and insights have been gained through that experience, including the need to prioritize BIPOC, disability, and immigrant and refugees in our budget investments.</td>
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<td>5. Due to the lack of significant investment in diverse community and civic engagement networks previously, the bureau must also gather perspectives in different ways. There are many thoroughly researched policy and community priorities such as The People’s Plan, State of Black Oregon, Believe Our Stories and Listen (Portland Street Response survey report), Portland United Against Hate, and more, that inform and shape bureau thinking.</td>
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**Base Budget Constraints:**

**QUESTION 3:** What are the insufficiencies in the base budget that inhibit the Bureau’s achievement of equity or the goals outlined in the Racial Equity Plan?

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<th>Constraints to Equity</th>
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<tbody>
<tr>
<td>Needs to expand to have information about how insufficient</td>
<td>Generally, states impact of insufficient base budget</td>
<td>Example answers:</td>
</tr>
<tr>
<td>1) Clearly states impact of insufficient funds in base budget; 2) Identifies dollar amount associated; 3) states the impact on staff; 4) states impact on communities</td>
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</table>
Programs specifically focused on equity are understaffed, often run by a single person, and historically have received less budget than other programs within the bureau. These programs include our Disability ($240,433), Immigrant and Refugee ($220,058), and Youth ($235,914) programs (FY 2020-21 numbers). Please see Requested Budget by Program FY 20-21 attachment.

Programs that receive some of the largest portions of the bureau’s budget have demonstrated inequitable outcomes. Advocacy to sustain these programs without meaningful programmatic change has been effective.

Equity and serving diverse constituencies had previously been addressed as an “add-on” to “core” services that do not deliver equitable outcomes.

<table>
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<tr>
<th>Notable Changes:</th>
<th>Impact of Change</th>
<th>Impact of Change</th>
<th>Impact of Change</th>
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<tbody>
<tr>
<td>QUESTION 4:</td>
<td>Needs to expand to have information about changes and impacts of the changes</td>
<td>Generally, states change(s) and impacts of the change(s):</td>
<td>1) Clearly states changes; 2) clearly identifies the impacts in general; 3) Specifically states the impacts (positive or negative) on Black people, Indigenous people, people of color, immigrants and refugees, people with disabilities</td>
</tr>
<tr>
<td>Have you made significant realignments or changes to the bureau’s budget? If so, how/why do these changes impact the community? Is this different for Indigenous people, Black people, immigrants and refugees, people of color, and/or people with disabilities?</td>
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**Example:**
From Crime Prevention to Community Safety, our focus has shifted towards community building and resiliency, rather than patrolling neighborhoods. Working in a "social determinants of community safety" framework, civic engagement will be a common thread across all focus areas, as well as capacity-building around anti-racism and trauma-informed resiliency. The program will also center BIPOC and other marginalized communities through leadership development, youth-led safety initiatives and restorative justice approaches, and safety and resiliency outreach and education.

**ADA Title II Transition Plan:**
QUESTION 5: If applicable, how is funding being prioritized to meet obligations related to Title II of the Americans with

<table>
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<th>Transition Plan</th>
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<tr>
<td>Needs to expand to have information about how</td>
<td>Generally, states bureau’s prioritization of ADA Title</td>
<td>1) Clearly states bureau’s priorities for ADA Title Transition Plan; 2) Includes specific areas of barrier removal; 3) Specifies additional accessibility goals; 4) Includes strategies or steps to achieve the accessibility goals.</td>
</tr>
</tbody>
</table>
Disabilities Act and the bureau’s Transition Plan  
barrier removal schedule?  

| BFM Engagement Tab, Transition Plan | bureau prioritized  
ADA Title II Transition Plan | II Transition Plan.  
Examples: |
|-------------------------------------|-------------------------|------------------|
| **Accommodations:**  
QUESTION 6: What funding have you allocated in the bureau’s budget to meet the requirements of ADA (Americans with Disabilities Act) Title II and Civil Rights Title VI? This includes but is not limited to:  
• Funding for translation, interpretation, video captioning, and other accommodations  
• Translation of essential documents into safe harbor languages  
• Engagement efforts with multilingual and multicultural communities  
BFM Engagement Tab, Accommodation Fund | **Accommodation Fund □** Needs to expand to have information about how the bureau will meet accommodations requirements  
Accommodation Fund □ Generally, states how the bureau will allocate resources to provide accommodation. | Examples:  
1) Clearly states bureau’s allocation for accommodations; 2) Includes goals for translation, interpretation, video captioning; 3) Specifies funding for translation of essential documents into safe harbor language; 4) Includes accommodations goals for multilingual and multicultural communities.  
Examples:  
1. Each program has budgeted for planned translation, interpretation, video captioning, ASL, and other accommodations needs. Planned expenses support accommodations needs for activities such as press conferences, grant requests for proposals, listening sessions, and more.  
2. In addition to each program budget, Civic Life has a bureau-wide Accommodations Fund to meet unplanned and/or bureau-wide accommodations requests throughout the year. |
| **Hiring, Retention, & Employment Outreach 7:**  
QUESTION: Please take a look at the City of Portland’s workforce demographic dashboard:  
https://www.portland.oregon.gov/oehr/article/59512. How does the bureau’s Requested Budget support employee equity in hiring, retention, and | **Workforce Equity □** Needs to expand to have information about how the budget supports the bureau’s workforce equity goals.  
Workforce Equity □ Generally, states how the budget supports the bureau’s workforce equity goals, particularly for Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities; 2) Specifies goals (hiring, retention, and inclusion) to achieve the workforce equity.  
Examples  
1. The budget supports professional development opportunities for staff and teams, including staff time dedicated to learning about racial equity and strategies to dismantle racist systems, such as participating in City-led efforts like the Result Based Accounting training. In addition, each program includes a line item in their budget for professional development. |
inclusion, particularly for Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities?

<table>
<thead>
<tr>
<th>Capital Assets &amp; Intergenerational Equity</th>
<th>Future generations</th>
<th>Future generations</th>
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<tbody>
<tr>
<td>QUESTION 8: If the bureau has capital assets, how does the Requested Budget take into consideration intergenerational equity (ensuring that those who are currently benefiting from the service are paying for its upkeep versus placing the financial burden on future generations)?</td>
<td>☐ Needs to expand to have information about how capital assets will not create financial burden for future generations</td>
<td>☐ Generally, states how capital projects will not create burdens for future generations.</td>
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<tr>
<td>BFM Engagement Tab: Future Generations</td>
<td></td>
<td>Examples:</td>
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<td>1) Clearly states how capital assets will not create financial burden for future generations; 2) Specifies how current beneficiaries of capital projects will pay for the upkeep of the projects. 3) Includes how the capital assets will prevent collateral consequences for future generations. Examples:</td>
</tr>
</tbody>
</table>

2. Our business operations team supports equitable impacts by playing an integral role in the development and implementation of the bureau’s strategic workforce plan, which seeks to invest in a diverse, multicultural and multilingual team and our ability to provide services in at least English and Spanish. In FY 2019-20, 50.8% of staff identified as Black, Indigenous, and People of Color, which represents more than double the number of BIPOC staff since FY 2016-17. One-hundred percent of supervisors identify as BIPOC, as well as immigrant and refugee and LGBTAQIA+, compared with only 20% in FY 2016-17.

Additionally, one of the four new 2020 hires to the bureau in 2020 speaks French and an African language, adding to overall bureau language proficiencies. This demonstrably shows the bureau is moving towards providing service to more community members by having the ability to not only speak and write their language, but also offer programming with culturally specific understanding.
<table>
<thead>
<tr>
<th>Contracting Opportunities</th>
<th>Contracting Equity □</th>
<th>Contracting Equity □</th>
<th>Contracting Equity □</th>
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<tbody>
<tr>
<td>QUESTION 9: If applicable, how does the bureau’s budget create contracting opportunities for disadvantaged, minority, women, and emerging small businesses (D/M/W/ESB)?</td>
<td>Needs to expand to have information about how the bureau creates contracting opportunity for DMWESB</td>
<td>Generally, states how the bureau creates contracting opportunities for DMWESB</td>
<td>1) Clearly states the amount or extent of contracting opportunities for DMWESB; 2) Specifies goals and steps to creating the opportunities</td>
</tr>
<tr>
<td><strong>BFM Engagement Tab, Contracting Equity</strong></td>
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<td>Examples:</td>
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<td>1. The Graffiti Program will set aside $100,000 specifically for MWESB vendors to encourage diversifying the small pool of businesses performing graffiti removal services on behalf of the City and in Portland at-large.</td>
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<td>2. Grants and Contracts Managers also work with Program Supervisors to ensure targeted outreach to MWESB contractors. This also includes removing barriers to the application process where possible.</td>
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<thead>
<tr>
<th>Equity Manager Role in Budget Development</th>
<th>Equity Managers □</th>
<th>Equity Managers □</th>
<th>Equity Managers □</th>
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<tr>
<td>QUESTION 10: If the bureau has dedicated equity staff, such as an Equity Manager, how were they involved in developing the bureau’s Requested Budget?</td>
<td>Needs to include or expand to have information about how Equity Managers participated in the budget request</td>
<td>Generally, states the participation of Equity Managers in the budget request.</td>
<td>1) Clearly states the participation of Equity Managers; 2) includes tools developed and/or provided by Equity managers; 3) includes processes organized/led/guided by Equity managers.</td>
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<tr>
<td><strong>BFM Form, Engagement Tab, Equity Managers</strong></td>
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<td>Examples:</td>
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<tr>
<th>Engaging Communities Most Impacted by Inequities</th>
<th>Community Advice □</th>
<th>Community Advice □</th>
<th>Community Advice □</th>
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</thead>
<tbody>
<tr>
<td>QUESTION 11: How does this budget build capacity within your bureau to engage with and include communities most impacted by inequities? (e.g., improved leadership for outreach and engagement coordinators, public information or relation officers, advisory committees, commissions, targeted community meetings, stakeholder</td>
<td>Needs to expand to have information about how the bureau builds internal capacities to engage with the communities most impacted by inequities</td>
<td>Generally, states how the bureau builds internal capacities to engage with communities most impacted by inequities.</td>
<td>1) Clearly states how the bureau builds internal capacities to engage with communities most impacted by inequities; 2) Specifies the staff capacities to engage the communities; 3) States the different structures and processes used to engage the communities; 3) Provides goals and strategies for increased engagement with communities.</td>
</tr>
<tr>
<td><strong>Community Advice</strong></td>
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<td>Examples:</td>
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<td>1. This budget supports staffing and program-related expenses to run two advisory bodies, the New Portlanders (Immigrant and Refugee Policy Commission (NPPC) and the Multnomah Youth Commission (MYC), to engage immigrants, refugees, and youth, the majority of whom are people of color. The NPPC engages</td>
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</table>
groups, increased engagement, etc.)

**BFM, Engagement Tab, Community Engagement**

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<tr>
<th>Community Empowerment</th>
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<td>☐ Needs to expand to have</td>
<td>☐ Generally, states how the</td>
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1. Up to 25 community members and the MYC up to 40. Members educate elected officials and bureaus, partner with community, and advocate for policy changes based on community priorities. For example, in 2020 the NPPC successfully advocated for the City of Portland to invest $2 million in the Oregon Worker Relief Fund. The MYC successfully advocated for Portland Public Schools to remove School Resource Officers from their campuses.

2. Supports staffing and program-related expenses to administer the Cannabis Policy Oversight Team (CPOT). CPOT is a team that advises the bureau and City of Portland on policies to deliver cannabis industry diversity, equity, accessibility, and sustainability for the City’s total benefit. CPOT-led discussions surrounding divesting cannabis tax revenue from the Portland Police Bureau and investing into communities most adversely impacted by racially-biased cannabis prohibition.

3. This budget also supports staffing and technology for the Advisory Bodies Committees (ABC), which provides technical assistance, best practices based in equitable community engagement, and recruitment support for advisory bodies across the City. For example, in 2020 the ABC program supported recruitment for the Charter Review Board. In FY 2020-21, we began using NeoGov to run advisory body recruitments and the continued use of this technology will create greater efficiencies and increase the program’s capacity to serve the City.

4. Supports staffing and program related expenses for a more robust communications infrastructure that partners with multilingual media, community-based partners as key messengers, and utilizes language and disability access tools throughout key communications activities.

**Empowering Communities Most Impacted by Inequities**

**QUESTION 12: How does this budget build Community Empowerment?**

1) Clearly states how the bureau allocate resources to build capacity and power in communities most impacted by inequities; 2) Specifies the demographics of the communities;
### Data Tracking Methodology:

**QUESTION 13:** How does the bureau use quantitative and qualitative data to track program access and service outcomes for different populations? Please provide the data source(s).

**BFM, Engagement Tab, Performance Data**

<table>
<thead>
<tr>
<th>Performance Data</th>
<th>Needs to expand the bureau’s use of quantitative and qualitative data on access and service outcomes for communities</th>
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</table>
| **BFM Engagement Tab, Community Empowerment** | 3) Provides the structures and processes used to build capacity and power in communities most impacted by inequities.  
**Examples:**  
1. Civic Life grant programs invest resources in building capacity and power among communities most impacted by inequities. These grant programs include the Cannabis program's Social Equity & Educational Development (SEED) Grant, Constructing Civic Dialogues, the Disability Leadership program, and the Diversity and Civic Leadership program.  
2. The Diversity and Civic Leadership program specifically aims to develop leaders among Portland’s BIPOC communities. Civic Life provides grants to a cohort of BIPOC-led community-based organizations that design and implement yearly leadership development programs that build skills and community engagement to shape city, regional, and state-level policy decisions.  
3. The SEED Grant aims to expand SEED Initiatives to include as-needed Reimagine Portland support, private-public philanthropic partnerships and local-to-national communication strategy. Funding decisions are informed by the core tenant that the war on drugs has caused disproportionate harm to BIPOC communities. Cannabis-related revenue should be directed into these same communities for the purpose of restitution and restoration.  

<table>
<thead>
<tr>
<th>Performance Data</th>
<th>Generally, states the types of bureau’s qualitative and quantitative data on program access and service outcomes for different populations along with data sources.</th>
</tr>
</thead>
</table>

**Performance Data**

1) Clearly states the types of data; 2) specifies the types of data on contracting; 3) Includes data on community engagement; 4) Includes disaggregated demographic data on program access and service outcomes; 5) includes qualitative and quantitative data; 6) Includes data sources.

**Examples:**

1. We collect and analyze grantee narrative and financial reports, which provide both qualitative and quantitative data about who is being served by our grant-funded programs.
2. We collect demographic data on applicants to the advisory bodies' recruitments to understand the effectiveness of City outreach efforts.

3. When possible, we work with expert external partners to generate statistics and reports on specific communities. For example, we sought out (and were selected through a competitive process) research support from use-data provided by the New American Economy to understand disparities experienced by Portland's immigrant and refugee communities during the pandemic. We are also partnering with Portland State University’s School of Government and the Real Choice Initiative to conduct the first-ever study of the civic engagement of people with disabilities.

4. We use external data such as the census, American Community Survey to understand City and neighborhood demographics and trends. In FY 2019/20, Civic Life provided funds to support an accurate count for the 2020 census, focusing outreach efforts on "hard-to-count" communities.

5. One bureau-wide performance metric is voter turnout (and participation in local elections), which will eventually be grouped by geography and demography to highlight engagement and disengagement across the City in order to inform programmatic investments.

Appendix VI.

Expert Recommendations for California:
These recommendations are the result of the survey questions to interviewed stakeholders when asked a) what would you recommend to the state of California for success?, and b) what would you do differently if you could?

Canadian Anti-Racism Secretariat
- Create a racial equity office/entity that provides consistency, accountability, capacity building, technical assistance and evaluation of tools and departments
“Legislate all processes; funding and priorities may be changed with any change in leadership without the legislation of policy and practice.”

Center Indigenous communities; be intersectional and specific in accountability for CA’s history of colonial state violence against Indigenous, Black, Chinese, Japanese, Pacific Island, Immigrant and Latinx communities, & Mexican state colonial history.

“Collect and develop disaggregated data; it takes resources and investments.”

**Nashville, TN, Office of Diversity, Equity, and Inclusion in the Finance Department**

- “Ensure budget staff capacity and training to support enhanced BCP (Budget Change Proposal) processes.”
- “Have racial equity questions in budget forms or accompanying them; make them required.”
- Make racial equity learning ongoing and iterative for departments on how to use the form.
- Provide examples of complete and incomplete responses.
- Train Budget Office staff to assess submissions properly and how to provide feedback to departments.

**San Francisco, CA**

- “Our [SF Human Rights Commission] mandate is systems change. But systems change (which is a certain amount of documents and mechanisms) but systems change happens at individual level. We have to avoid moralizing and making people feel bad. It's about changing the way government employees make decisions every day.”
- “Racial Equity staff should be embedded in each department but report to the central body otherwise they do conflicting things. Central coordination is critical because there are a lot of different ways to do this work.”
- A California State Office of Racial Equity should be removed from the Governor’s politics and political needs of the Governor's office
- “What it came down to for us is the Racial Equity Department needed to meet with other department heads and encourage departments to make changes on their own”

**Seattle, WA, Budget Office**

- “Fully integrate racial equity and budget processes.”
- “The most effective training the Budget Office of Seattle has is when they collaborate with the Office of Civil Rights and train on antiracist principles, basics of racial equity and how they are directly applicable to the budget process.”

**Michigan Department of Civil Rights**

- Maintain racial equity “leads” “teams” or “equity partners” in every department who guide this work at the department level. Different departments with different structures, staff, needs, ranking and access to decision making benefit from embedded racial equity practitioners to engage with budget and policy processes and provide department capacity support. (note: multiple jurisdictions recommended, utilize this)

- State level approach:
  - Leadership in governor's office
  - Each department intentionally hire racial equity practitioners
  - Departments participate in continuous training and interactions with constant education
  - Each department has uniform formations of core racial equity teams
○ Formal communications across agencies eliminate silos and leadership plays a key role.
○ “Racial equity leadership are not bosses. They make everyone's job easier as facilitators.”
● Create formal communications channels & regular meeting to eliminate silos
● Intentionally hire racial equity DEI experts in each department
● DEI/Racial Equity divisions within departments are critical for addressing implicit bias to minimize the number of discrimination complaints.
● “Resistance to the work is real. So, there is a strategy in how to talk about DEI, and be careful to create allies and not slap people with the truth; to gently help people understand what they don't know, to help people think critically and come on board. Resistance continues to evolve an deshape in strategic ways to counter racial equity progress.”
● Anything the state does for employees has to demonstrate it is changing the culture: providing engagement, opportunities, inclusion calendar, commitments to lift up marginalized groups, employee resource groups
● In lieu of budget appropriation: Each department must advocate for their own line items. Most departments already have a budget for training, evaluation, performance and learning. Departments need to talk to their secretaries and figure out how to make room in the budget to do the work now

San Jose, California, & San Francisco Office of Racial Equity
● Take a Non-Punitive Approach: Assessment of submissions and departmental progress are not to be used punitively against them. Rather, REBT submissions are ways to see more clearly where support is needed for growth; to accurately meet the needs of departments and make the necessary shifts towards equitable outcomes through capacity building and technical assistance in a standardized, consistent, iterative process.

Marin, CA, Office Of Equity
● Begin with a selected cohort of departments that have developed racial equity praxis (Early Adopters/Champions; CCORE partners, for example) to go through the first iteration of the framework. This cohort receives training, technical assistance, and experiences the process start to finish with racial equity practitioners and fiscal staff. Cohort provides feedback to equity and fiscal staff on improvement and effectiveness prior to release to statewide agencies.
   ○ This recommendation was echoed by Oakland, San Jose, Seattle, and others.

Oakland, California, Budget Office
● “California’s Department of Finance will succeed if they combine the completion of the forms with training. Training is imperative.”
● “Place less emphasis on data and more on best-faith efforts and department-support to do the work.”
● “There is a culture of fear and retaliation where if you tell the truth you'll get thrown under the bus. It undermines equity efforts as a whole if people feel they'll be punished for sharing where their departments actually are on this work. At the state level, it would have to be seen as an assessment tool like education assessment, “Are you good at reading and math? You're not great at addition and subtraction? Ok, let's get you more skills and training on that.”
“Racial equity work means we ask ourselves how do we run our departments but also how we are training our staff?”

Philadelphia, Pennsylvania

- Budgeting for Racial Equity requires and deserves sufficient capacity and time
- Be strategic about who is in the Racial Equity learning cohorts. There can be discrepancies between who a department wants in the room and who will be more sustainable actors for racial equity work
- Recommends cohorts of department teams of 5-6 people
- This will help develop more nuanced racial equity action plans
- Expand who’s involved in budget process

Portland, Oregon

- “Racial equity should not be a box checked at the end of a questionnaire but foundational to all processes”

Washington DC

- Perform iterations to improve efficacy and power of questions: quality over quantity
- Racial Equity Budgeting requires a change in mindset and capacity for most staff. Most staff in the budget world are trained accountants not sociologists
- Given the scope of California’s budget, Department of Finance may need to create an internal organization for racial equity the organizational level
  - Be aware of duplicating roles
- If an Equity Office is not integrated into the budget processes at the organizational level, it may be more vulnerable to being cut over time

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The People’s Institute for Survival and Beyond. https://pisab.org/.

