

# Update on the Pilot Budget Equity Resource Guide & Tool (BERG/T)



City Council Meeting  
May 14, 2024

# Background - Goals & Team

## Goals

- ✓ Provide deeper analysis for select budget requests from a racial equity lens.
- ✓ Help departments critically think about their role in advancing racial equity.
- ✓ Support City leadership's decision-making process to ensure equitable outcomes.
- ✓ Create a tool, guide, Power Point to communicate, and glossary of terms.
- ✓ Seamlessly align with where the current budget decision cycle is and support/guide staff.

## City and Council Staff Who Have Helped Guide this work:

- Aimée Zenzele Barnes, Human Resources Department
- Anne Iturraran, Fire Department (Fire)
- Asialyn Lee, Office of Councilmember Mai Vang (CM Vang)
- Denise Malvetti, Office of Innovation & Economic Development (OIED)
- Larissa Wohl, Human Resources Department
- Kelly Fong Rivas, Office of the Mayor Darrell Steinberg (Mayor)
- Leyne Milstein, City Manager's Office (CMO)
- Megan Van Voorhis, Convention & Cultural Services Department (CCS)
- Michael Jasso, City Manager's Office (CMO)
- Robert Bell, Human Resources Department

# Background - Our Collective Efforts Since January 30, 2024

**Jan 30, 2024** Racial Equity Committee (REC) motioned and approved direction to City staff to develop a racial equity tool to be used as during the Fiscal Year (FY) 2024/25 budget development process

**Feb 5-14, 2024** All Day In-Person FY 2024/25 Budget Meeting with City Departments

**Feb 15, 2024** ODE Team presented to CMO, Racial Equity Advisor to Mayor and Chief of Staff, CM Vang on the draft BERG/T for questions and feedback

**Feb 16, 2024** ODE Team, Racial Equity Advisor to Mayor and Chief of Staff, CM Vang met with ACMs to review draft BERG/T

**Feb 1, 2024** Racial Equity City Team established every Thursday to develop budget equity guide and tool

**Feb 1-14, 2024** Diversity & Equity Manager researched and developed draft of the Budget Equity Resource Guide (BERG) and Budget Equity Resource Tool (BERT) for deeper consultation with Human Resources Office of Diversity and Equity (ODE) Team. ODE Team committed 8-10 hours of working sessions and editing

**Feb 15 -16, 2024** In-person meetings – Budget Decisions with City Manager, Assistant City Managers (ACMs), and Department staff

**Feb 22, 2024** ODE Team introduced background and draft of the BERG/T to Finance, CCS, Fire, and OIED for feedback, questions, and discussed considerations of implications

# Background - Our Collective Efforts Since January 30, 2024 (cont'd)

**Feb 27, 2024** Budget and Audit Committee Special Meeting

**Mar 6, 2024** FY2024/25 Budget Public Meeting North Natomas Community Center

**Mar 7-13, 2024** ODE Team continued to make edits on BERG/T Power Point and Word document based on feedback. ODE Team prepared staff report for REC Special Meeting on status update on BERG/T since last REC Meeting

**Mar 14, 2024** Budget Public Meeting Clunie Community Center

**Apr 4 – 25, 2024** Four weekly meetings shared learning on BERG/T and finalize presentation 04/30

**Feb 29, 2024** Team Meeting In-person. Discussion centered on understanding approach to applying BERG/T. OIED, Fire, and CCS working to apply and complete the BERG/T

**Mar 13, 2024** Meeting to finalize BERG/T draft, provided support to divisions/department applying the BERG/T

**Mar 13, 2024** Budget Public Meeting Pannel Meadowview Community Center

**Apr 2, 2024** ODE presented update status on the BERG/T on its development and application at the REC Special Meeting

**TODAY**

# How did we develop the Pilot Budget Equity Resource Guide and Tool?

Given where we are in the budget cycle on January 30th our Pilot Budget Equity Resource Guide and Tool was designed with the following considerations:

- An equity lens during a budget reduction cycle
- Applicable to a portion of the over 250 reduction proposals departments submitted to the City Manager's Office (CMO)
- Affirm and align with the CMO budget instructions and expense reductions impact analysis (1 = low impact to 4=severe impact) on City services and staffing positions
- Affirm and align with Council 9 priorities
- Provide guidance to Council in decision making

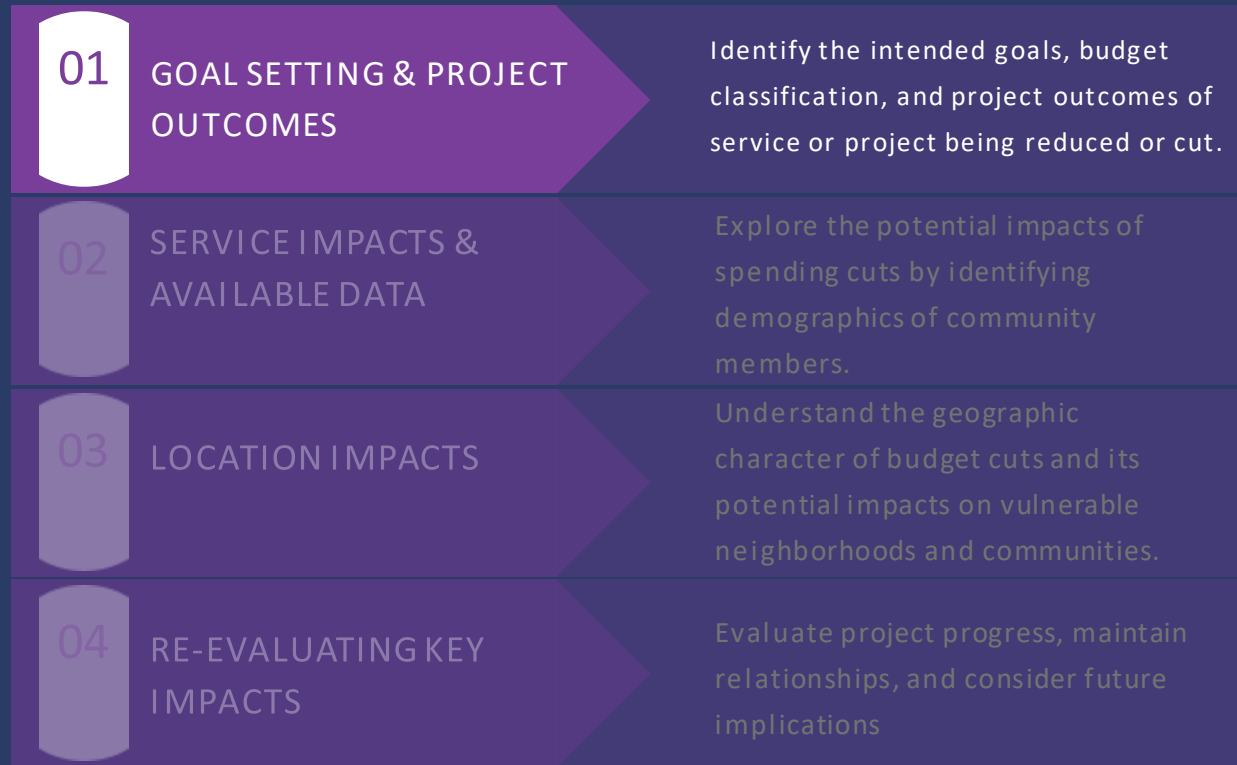


★ Adapting from the April 2021 Resource Report that provides guidance on ***how cities can apply the equity lens to budget cuts through two perspectives: 1) Service impacts and 2) Location impacts***

# Overview of Pilot Budget Equity Resource Guide & Tool (BERG/T)

## Section 1: Goal Setting, Budget Classification, and Project Outcomes

To get started, identify goals and project outcomes of the service or project being reduced or cut. Use your budget classification and impact levels work for this section. Consider explaining how your service or project connects to the City's goals and helps to define the potential reduction/cut's impact on different communities.



## Section 2: Service Impacts

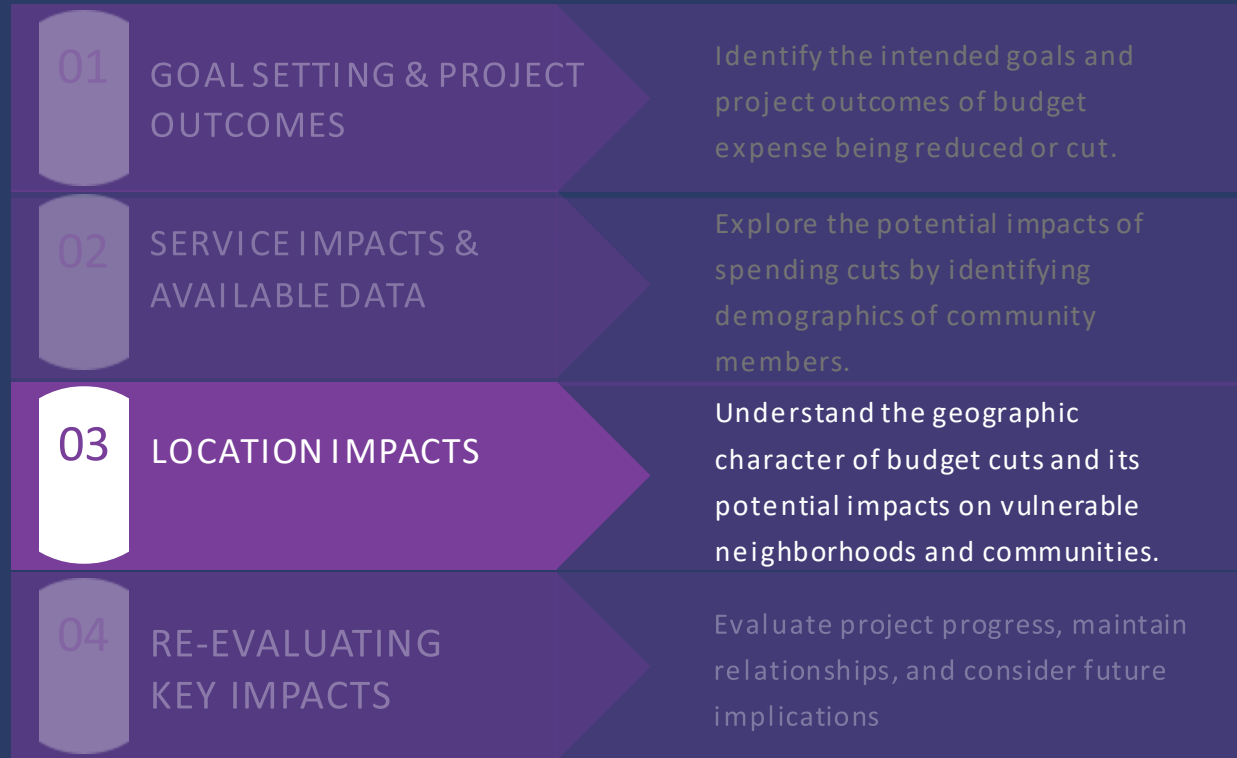
A spending cut could reduce the quality of service that the City delivers. Collecting data allows you to identify synergies with existing work and unearth opportunities to reduce the perpetuation of historical and present inequities faced by certain communities. Explore the potential impacts of spending cuts by identifying demographics of community members.





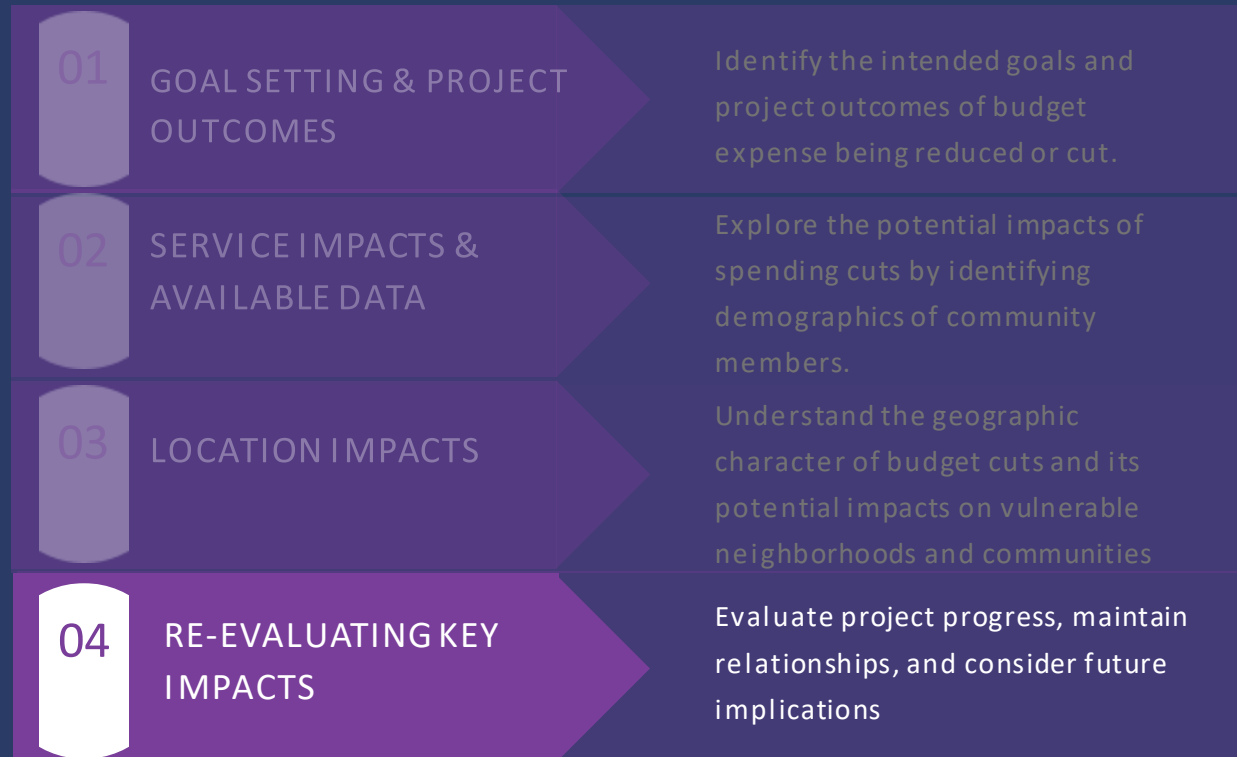
## Section 3: Location Impacts

This section is designed to help understand the geographic character of budget cuts and their potential impacts on vulnerable and already underserved neighborhoods and communities.



## Section 4: Re-Evaluating & Key Impacts

Document impacts of budget cuts and reductions to mitigate unintended consequences and intend benefits for future action. To explicitly consider impacts to avoid contributing to inequities and maintain relationships for future collaboration and implementation.



# Today's Presentation – Overview & Highlights

- Overview of 2 completed BERG/T from Office of Innovation & Economic Development (OIED).
- Overview of 1 completed BERG/T from Conventional & Cultural Services (CCS).
- Update of Integration of Heatmaps on SEED GIS Tool.

# Today's Presentation - Supplemental Materials

As part of today's presentation, we included the following supplemental materials:

- The BERG/T template.
- April 2021 Report Used to create the pilot BERG/T.
- 2 completed BERG/T from Office of Innovation & Economic Development (OIED).
- 1 completed BERG/T from Conventional & Cultural Services (CCS) Department.
- 3 completed BERG/T from Fire Department.

***NOTE:*** Given that the Fire Department proposed reductions are no longer being cut from the budget, this presentation will be focused on OIED and CCS.

# Today's Presentation – Best Position to Apply BERG/T + Short Time Frame to Apply BERG/T = Equity Already in the Work

## Office of Innovation and Economic Development

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- Following the City Council policy direction, City staff with careholders outlined a framework that defines several components to create equitable outcomes, including establishing set of key inclusive guiding principles, quality of life indicators, and performance metrics system (October 2018).
- City Council Adopted *Inclusive Economic Development Investment Funding Guidelines* (Resolution 2018-0312, September 2019).
- [ScaleUp Sacramento Inclusive Economic Action Agenda](#) (January 2021).

# Today's Presentation – Best Position to Apply BERG/T + Short Time Frame to Apply BERG/T = Equity Already in the Work

## Convention & Cultural Services

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- Cultural Equity Statement presented to City Council (April 23, 2018).
- The newly formed Arts, Culture, and Creative Economy Commission met and adopted the [Race and Cultural Equity Statement](#) (June 2020).

# How We Are Applying the Budget Equity Resource Guide & Tool (BERG/T)

- Applied to budget reductions in OIED, Fire, and CCS.
  - Some may be grouped reductions if they are related.
- Given where we are in the budget decision cycle:
  - Approach to propose reductions had already been developed.
  - Proposed reductions had already been identified.
- Due to short timeline, City staff will adjust the tool to fit narrative/nature of service delivery, and discretionary vs. fixed/mandated funding.

# Application of BERG/T to Parts of City Budget

## Economic Development



# Economic Development

How did you approach this process?

What methodology did you use while considering budget?

- General Fund/Measure U Budget is approximately \$5,900,000, approximately 88% is staffing.
- Priority to retain staff because we value the team, and they are delivering the impactful programs funded by grants and special funds.
- Given that majority of budget is personnel, looked at cuts that would minimize impacts to programs that help us achieve our inclusive economic development goals by using the Inclusive Economic Development Funding Strategy as a guide.

The City of Sacramento is committed to growing a strong, inclusive, and vibrant economy.

The Office of Innovation & Economic Development encourages job growth and investment in the City of Sacramento by retaining, attracting, growing, and scaling new and innovative businesses.

The Office is focused on *better connecting residents in underserved communities with critical resources and housing, so all residents participate in Sacramento's economic growth.*

# Economic Development

## Section 1 - Goal Setting, Budget Classification, and Project Outcomes

### Proposed Reductions

- Eliminate two vacant FTEs.
  - Principal Planner (Railyards & Riverfront)
  - Administrative Technician (Innovation & Entrepreneurship)

### Budget Classification

- Discretionary
- Level of Impact: 1

### Goals and Project Outcomes

- Develop a vision for the Railyards and Waterfront in hopes of accelerating the redevelopment of the areas.
- Develop and implement innovation and entrepreneurship programs to assist Sacramento's small businesses and innovators.
- Central city as a regional destination, generate jobs, create housing, and therefore generate additional tax revenues for the City.

# Economic Development

## Section 2 - Service Impacts

- The Office of Innovation and Economic Development is focused on growing a strong, inclusive, and vibrant economy. Any changes in our staff levels impact that work.
- The service impacts expand beyond the two specific areas/programs (Railyards/Waterfront and Innovation & Entrepreneurship) because we adjust staff to address needs in real time. These areas could include:
  - Workforce Development
  - Small Business Assistance
  - Housing
  - Community Engagement
  - Community Investment
- Services may be slowed down, yet the impact *does not mean things will stop.*

# Economic Development

## Section 3 - Location Impacts

### **Principal Planner Position**

- Railyards & Riverfront
  - HUD Qualified Census Tract
  - Promise Zone Designation
  - Opportunity Zone
  - Regional given it's a destination

### **Administrative Technician (Innovation & Entrepreneurship)**

- Citywide
  - Inclusion and equity impacts

# Economic Development

## Section 4 - Re-Evaluating & Key Impacts

### **Economic Considerations (Primary Equity Opportunity Area)**

- Loss of Jobs/Unemployment
- Economic Recovery
- Economic Stability
- Access to Workforce Development and Employment Opportunities

### **Other Equity Opportunity Areas**

- Food Access
- Community Access
- Mobility
- Housing

# Economic Development

## Learned So Far in Applying the BERG/T - Future Practice

### **Inclusive Economic Development Funding Strategy & ScaleUp**

- Helpful to have adopted Guidelines.

### **Data and Metrics**

- Capacity (External and Internal)
- Consistency
- Timing

# Application of BERG/T To Parts of City Budget

## Convention & Cultural Services

# Convention & Cultural Services

How did you approach this process?

What methodology did you use while considering budget?

- Considered overall Convention & Cultural Services (CCS) budget of \$27,863,209 in FY 2023/24 and proportion of funding from Measure U/General Fund/Innovation & Growth Fund.
- Considered what options were available after excluding funding for employee services and other services and supplies.
  - The remaining \$1,114,000 supports multi-year operating projects – the Cultural Arts Awards program and Creative Edge.
- Because the multi-year operating projects (MYOPs) support CCS' reach throughout Sacramento and includes direct financial support of communities of color, we ruled out cuts to those areas.
- Proposed eligible expenses be transitioned to Transient Occupancy Tax (TOT) funds to maintain service delivery to the public, then looked at discretionary funding items, such as arts stabilization and contracts with partners where they have other capacity to secure revenues to support their work.



# Convention & Cultural Services

## Section 1 - Goal Setting, Budget Classification, and Project Outcomes

### Proposed Reductions

- Reduction in Funding for Old Sacramento Visitor Center Support and Sacramento History Alliance Operations and Services.
- Reduction in Funding for SMUD Museum of Science and Curiosity (MOSAC).
- Total Reduction \$174,000 between both museums.

### Budget Classification

- Discretionary
- Level of Impact: 2

### Goals and Project Outcomes

- Delivery of educational and cultural experiences to the public.
- Primarily helping people understand history and science through fun and engaging exhibitions and programming. Secondarily addressing issues of social isolation, educational achievement, and civic engagement.
- Museums are key drivers of community health and wellbeing.
- Expand participant understanding of arts, culture, history, science, and the world around them.
  - Contribute to economic vibrancy, offering a unique feature to attract people (and their related spending) into the City's core.
  - Improve educational experiences for young people, leading to student growth and achievement.

# Convention & Cultural Services

## Section 2 - Service Impacts

- Closure of the Old Sacramento Visitor's Center, which serves 20,000-30,000 annually.
  - Would likely have to consolidate some of the functions to the museum site and have museum staff absorb responsibilities.
- Closing for one day a week may be a necessity, which will result in reduced access to exhibits and programs by community.
- Staffing cuts are inevitable at both institutions, which could affect the number of school groups that can be served by remaining staff as well as the student experience.
- In general, cuts to operating funding create pressure on free programming offered to community members. Such programming is likely to be reduced and in general that's likely to have a greater effect on Sacramento's most vulnerable populations.

# Convention & Cultural Services

## Section 3 - Location Impacts

- Both museums serve visitors from throughout the region and far beyond.
- Both museums have education partnerships with schools for field trips and other education programs.
- Twin Rivers Unified School District is a major partner of MOSAC, ensuring every 3<sup>rd</sup> grader gets access to a field trip to MOSAC.
- Cuts to free programming is most likely to affect the most vulnerable populations.
- Reduction in staffing could affect the experience of students from schools who may not have the luxury of sending chaperones on field trips.

# Convention & Cultural Services

## Section 4 - Re-Evaluating & Key Impacts

Arts and cultural infrastructure and programming holds great promise for advancing better outcomes for our community economically, educationally and socially – and particularly our most vulnerable populations.

- In the case of these two museums, it's clear that redefining historical narratives and providing access to STEAM education are critical to achieving social and economic justice. Both museums contribute to that and the overall health, wellbeing and enjoyment of the people who participate in their programming and visit their exhibitions.

It's important to acknowledge the historic systems of power and privilege that have shaped the arts and cultural infrastructure as we know it (both here in Sacramento and across the country).

- The strength and connections of a nonprofit board can significantly influence where arts and cultural infrastructure investments are made – and the level of those investments can have longstanding implications.
- Organizations led by, accountable to, and predominately serving communities of color often face barriers in philanthropy, lack access to the connections to high-net-worth individuals, and lack knowledge of funding tools, policies and processes that may come easier to larger institutions.
- CCS shaped our budget reduction recommendations to limit the impact on those that have not traditionally benefited from those systems of power and privilege.

All communities should benefit from the public infrastructure investments we've made.

- Whether it's our own facilities, or our partners, we're looking at new ways to work to advance the cause (through contract negotiations and other means).

# Convention & Cultural Services

## Learned So Far in Applying the BERG/T - Future Practice

- CCS considered racial equity impacts ahead of submitting budget reduction plans.
- Even so, the budget reduction tool helped me gain a more detailed understanding of the racial equity impacts of some of the proposed cuts.
- Having better information from our partners on their services to marginalized communities would be helpful.
  - Finding out about the Museums for All program and the people served by that program after reductions was proposed was challenging, knowing that ahead of time might have changed how I looked at things.
- Departments and their staff are all at different places along the racial equity journey and it's hard to get one tool to meet people where they are. For example, the questions someone might ask at the beginning part of their journey, may look different than what we ask someone further along on their journey.
  - How can we use existing tools (e.g. staff reports, BCPs) to help ignite some conversation around racial equity impacts, while still keeping a more efficient process and meeting people where they are.
  - There have been some amazing tools developed by the Finance Team as working through this process, how can we model based on some of what they have done, like defining levels of impact from a racial equity perspective (think 1-4 as was done for budget reduction classifications); or perhaps having the methodology for order of operations consider racial equity at the start.

# What Have We Learned So Far

# In Summary

## Learned So Far in Applying the BERG/T - Emergent Practice

- Initially the BERG/T is easier to apply to discretionary funding.
- Understand how applying the BERG/T to historical legacy funding when decisions were made without an equitable lens.
- Having a Citywide commitment and leadership mandate helps ground shared understanding, approach, and real success.
- Understand how applying a racial equity lens to future parts of the budget and implementing mitigating strategies to change and shift funding when expenses/monies are:
  - Fixed/mandated or tied to bond/debt services
  - Fixed/mandated by prior Council decisions
  - Obligated due to compliance and contracts
  - Obligated due to historical legacy funding
- Consistency of data collection and analysis across city and with partners.

## Learned So Far in Applying the BERG/T - Future Practice

- Start early with phased roll-outs.
- Training and input on the tool and process before starting a process is necessary.
- How-to manual providing with supplementary resources including glossary of terms, and data and engagement resources is necessary.
- Possible racial equity team (multi-departmental) providing support to departments:
  - Training and input on the tool and process before starting is necessary
  - How-to manual providing with supplementary resources including glossary of terms, and data and engagement resources is necessary
  - One-on-one consultations made available to departments while working on the process of completing the tool
  - Train the Trainer approach
- Incorporating through a phased approach a racial equity lens into existing forms, processes, and workflow.



# Update of Integration of Heatmaps on SEED GIS Tool

Links to GIS Resources:

[SEED Application w/ Heat Maps](#)

[311 Incident Maps](#)

[City of Sacramento's Open Data Portal](#)

Thanks!

*City of*  
**SACRAMENTO**

