



City of Philadelphia Budgeting for Racial Equity

Naomi Roberson Reid, Director of Budget Equity & Engagement
Télyse Masaoay, Director of Racial Equity Policy & Practice
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Budget Office



Office of
Diversity, Equity and Inclusion
CITY OF PHILADELPHIA



Budget Equity in Context of Citywide Strategy



Philadelphia's Citywide Racial Equity Strategy

- **[Executive Order 1-20](#) created the Racial Equity Strategy, which requires all City departments to complete Racial Equity Action Plans.**
 - To implement the strategy, Philadelphia hired an external consultant, Equity & Results, to support us in designing & facilitating training cohorts and strategic planning processes.
 - Equity & Results helped the City understand the importance of leveraging the budget process to advance equity.
- **In 2020, [Philadelphia announced plans](#) to embed racial equity into the budget process AND deepen engagement with residents**
 - Over the last several budget cycles, the Budget Office has partnered with the Office of DEI, the Mayor's Policy Office, and Equity & Results to pilot and expand new approaches.



What Is Racial Equity Budgeting?

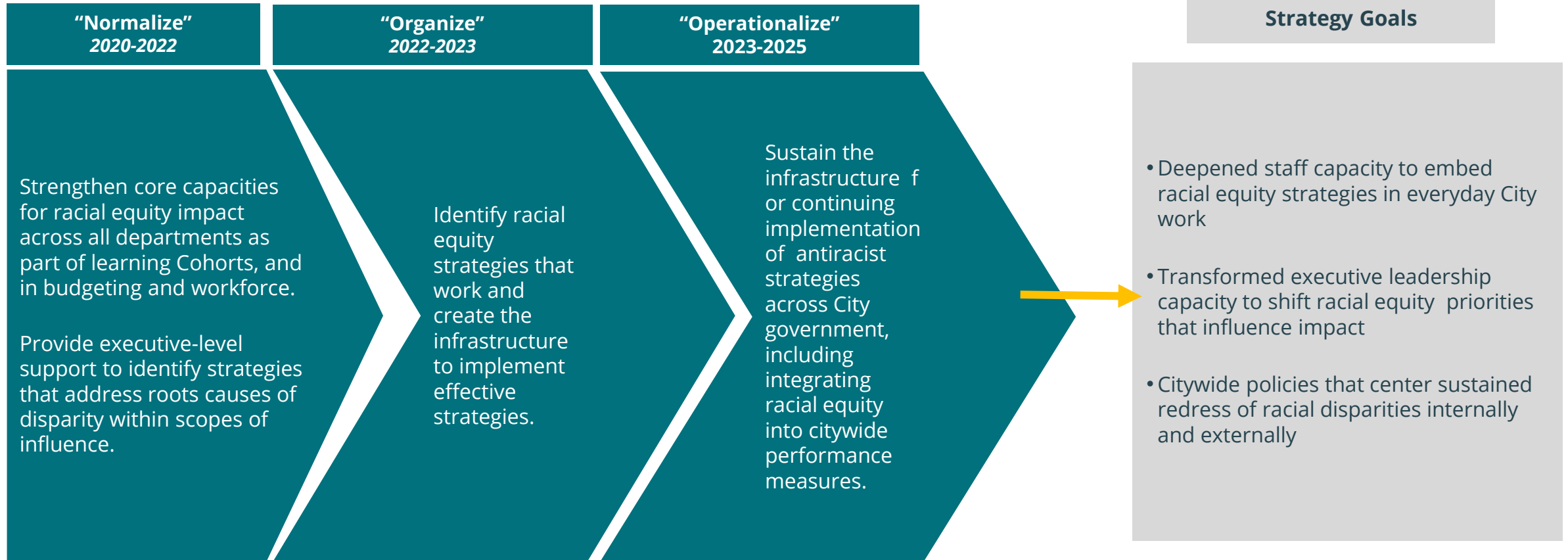
Prioritize resources in **service of reversing the predictive power of race** in connection with one's social, health, and economic success, internally within a department and/or externally with respect to stakeholders.

*"We will target our dollars and our policy change to reverse the impacts of structural racism, and to make concrete improvements **in the lives of Black and Brown Philadelphians**—in their safety, their health, and their economic well-being."*

–Mayor Kenney, Budget Address (2020)



Framework for Racial Equity Strategy





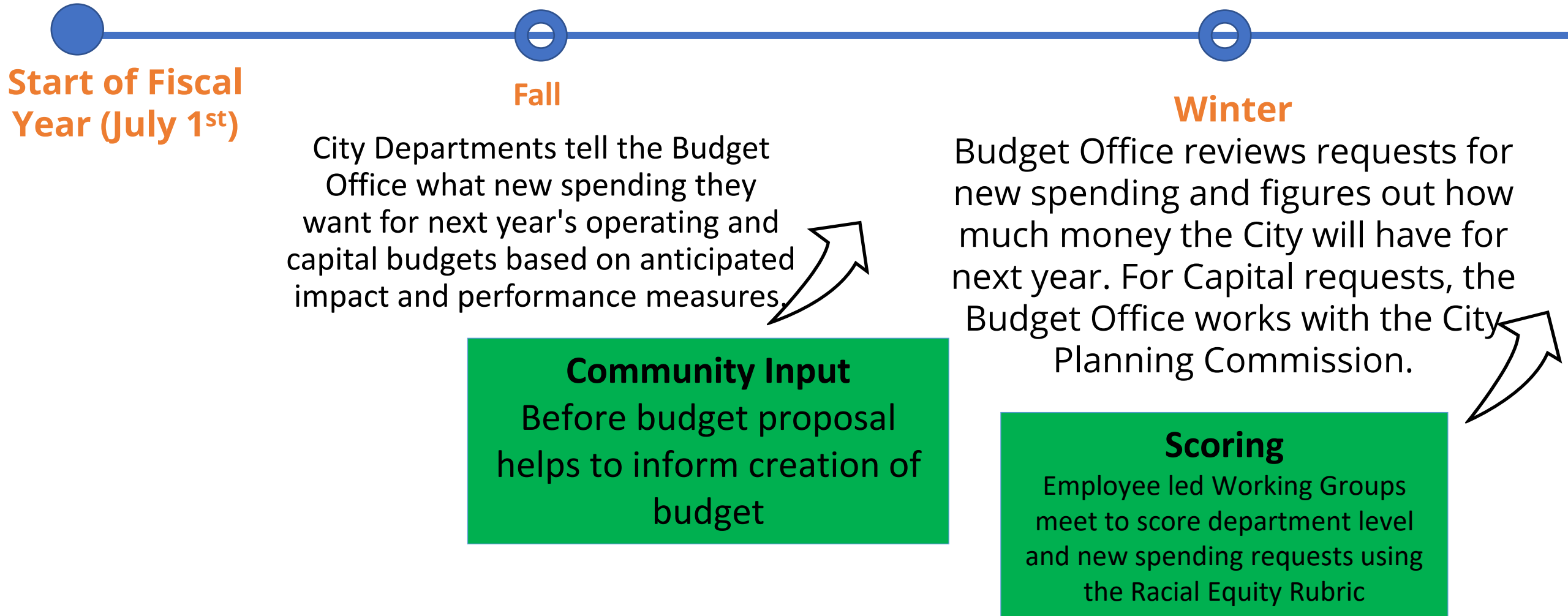
What is Budgeting for Racial Equity in Philadelphia?



Key Elements of the Budgeting for Racial Equity Process

- **Community Engagement.** The Budget Office hosts focus groups and community meetings to educate residents about the budget process and receive their input in the City's budget priorities.
- **Budget Equity Questionnaires.** All City departments are required to submit responses to racial equity questions as part of their annual budget submissions.
- **Scoring & Input.** Department submissions are reviewed and scored by several key stakeholders.
 - External scoring by Equity & Results (FY21-FY24)
 - Input from the Office of DEI and the Leadership Operations Team
 - Input from Budget Equity Committee.

Budget Timeline (a fiscal year goes from July 1st to June 30th)



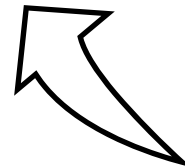
Budget Timeline

Early Spring

The Mayor submits recommended operating and capital budgets to City Council.

Late Spring

City Council holds hearings to learn more from departments and gather community feedback on both the operating and capital budgets.



Community Input

Continues community input informs the budget on an ongoing basis.

End of Fiscal Year (June 30th)

City Council must adopt and the Mayor must sign the operating and capital budgets by June 30th.



Who we are



See

Year-round engagement using materials, strategies and sessions to uplift communities historically not involved, harmed, or divested from. Utilizing as accessible of a manner as possible to meet people where they are: in-person, virtual, language access, digestible, etc.



Mission

The **Education, Engagement and Impact Unit (EEI)** provides a year-round platform for education and participation for Philadelphians and City employees surrounding the City Budget and Budget decisions.

The EEI offers opportunities for Philadelphians to **see**, **speak**, and **shape** City spending to be more effective, as well as more aligned with community needs in an equitable manner.



Speak

Provide Philadelphians the platform to provide consistent feedback that amplifies ideas, concerns, and perspective across our diverse communities



Shape

Insert community voice in the City Budget Process so community led solutions, needs and concerns are impactfully addressed in the annual City Budget, to keep our City more accountable, effective, and point our City Budget in a more equitable direction.



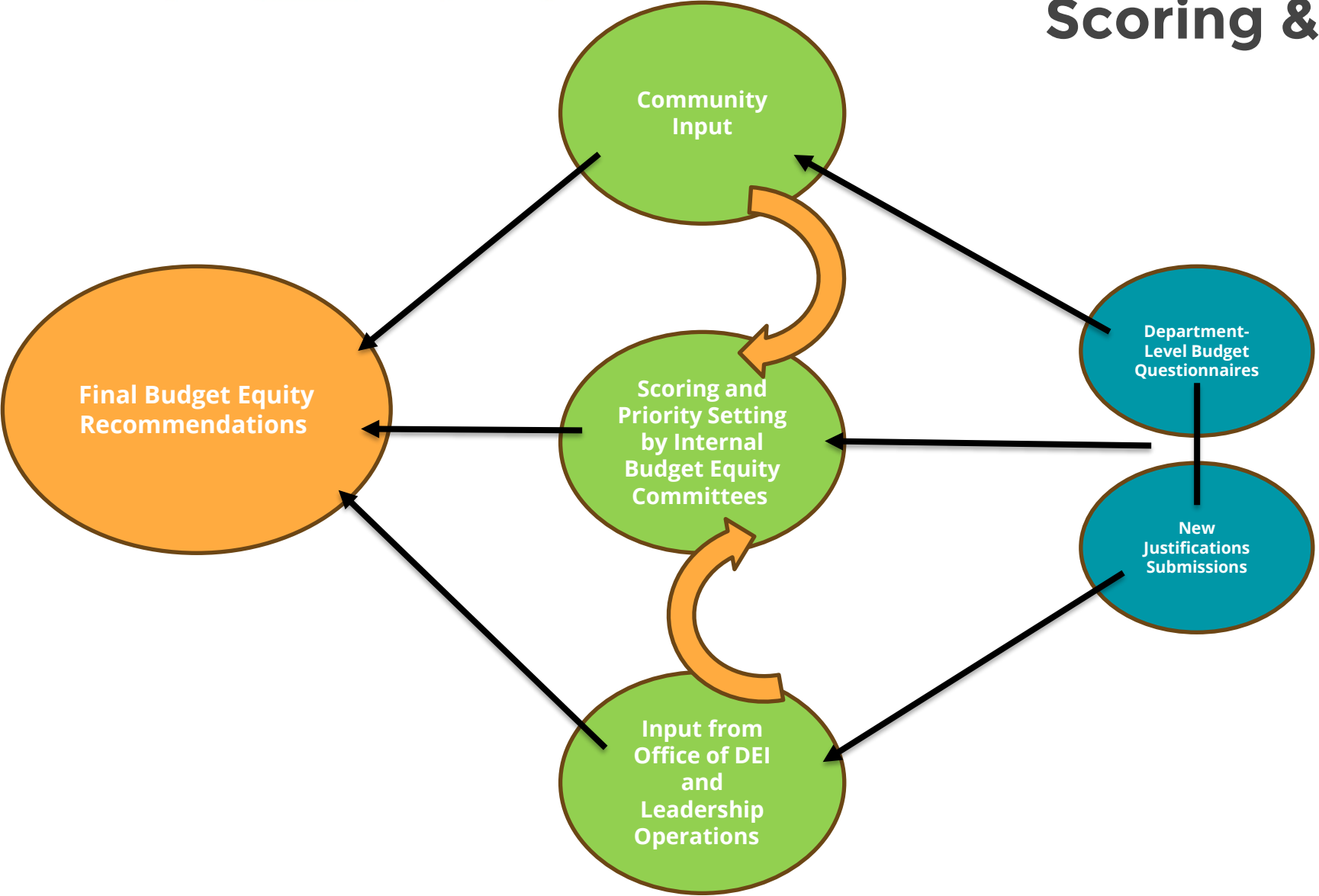
Budget Equity Questionnaires

- **Departments submit two types of responses with their budget submissions:**
 - **Departmental-Level Questionnaires** to assess the department's internal capacity & existing spending/operations.
 - **New Justification Questionnaires** to assess the racial equity impact of each new budget request.

EXAMPLE DEPARTMENT-LEVEL QUESTIONS

- Please briefly describe how the core functions of your agency intersect with the City's vision for racial equity. What major areas of opportunity are there for you to advance racial equity as part of the core work your department performs?
- What critical programs or policies does your office administer (or plan to administer) with your current budget to improve racial equity? Please make sure to reference any critical workforce equity programs or policies.
- Please briefly describe how is your department using its budget to create an inclusive, anti-racist workplace, including shifting internal cultural practices, and hiring and promotional policies, if at all?

Scoring & Input Overview





FY24 Racial Equity Investments

- Free public transit for City employees & a Zero Fare Transit Pilot for low-income residents
- Stipends for participants in a gun violence prevention program
- Construction of 2 new health centers in high-need communities
- Scaling up the Right to Counsel initiative to prevent evictions
- 100 new supportive housing units
- 6-day service at the Free Library
- Accessible internet for K-12 families
- Fund to clear some criminal-justice related debts



Evolution of Budget Equity

- **Dedicated staff in the Budget Office.** The Budget Office has created an Engagement, Education, and Impact unit to oversee these efforts moving forward.
- **Expansion into Capital Projects.** Starting in the FY24 budget process, the Budget Office required the Racial Equity Questionnaire and external scoring for both operating and capital budgets.
- **Increased size & revised composition of internal Budget Equity Committee.** In Philadelphia's most recent budget cycle, the Budget Equity Committee grew to 50 members from 17 members. Additionally, the Budget Office prioritized hearing from voices that are not typically at the decision-making table (e.g., frontline and non-management staff).
- **New scoring from Office of DEI.** For FY24, ODEI expanded its support by attending all budget meetings, reviewing all budget requests, and scoring budgets based on each request's ability to improve lives for Philadelphians; feasibility; reliance on data to inform decisions; and ability to advance racial equity, accessibility, and equity for LGBTQ+ residents and employees.



Lessons Learned

- **Timing.** We are constantly balancing the tension between the urgency of the annual budget process with the time needed for deep engagement & meaningful input. The Budget Office is moving toward an "Engagement 365" approach and giving City employees more time to weigh in.
- **Staff Skills & Capacity.** We recognize that historically, city employees haven't always been equipped with the resources and capacity to do racial equity work. In Philadelphia, we have taken steps to build internal capacity to write, review, and prioritize budget requests with equity in mind.
- **Fixed vs. Discretionary.** Large parts of Philadelphia's budget are fixed, meaning we don't have a lot of agency to make changes annually. We are working with a "smaller piece of the pie" but thinking about ways to grow our influence.



Resources to Learn More

- [Budgeting for Racial Equity Summary](#)
- [FY24 Budgeting for Racial Equity Recap](#)
- [FY24 Community Engagement Recap](#)



Questions?