

COUNCIL AGENDA: 04/07/20

ITEM: 3.3



Memorandum

TO: CITY COUNCIL

FROM: Councilmember Sylvia Arenas

SUBJECT: SEE BELOW

DATE: April 7, 2020

**Submitted electronically*

APPROVED: *Sylvia Arenas*

DATE *April 7, 2020*

SUBJECT: ESTIMATED BUDGETARY IMPACTS OF COVID-19

RECOMMENDATION

Accept the Mayor's memo and:

- 1) Report back to the council, in advance of the release of the City Manager's Proposed Budget, an informational memo that shows how the Mayor's proposed equity screen on budget cuts will be applied.
- 2) Recommend that the administration model their equity screen similar to that used by the City of Seattle.
- 3) Bring back to council proposed changes to the format of council and committee memos that bring Equity considerations into every memo from the City Administration, Council Appointees, and Commissions, in line with cities like Seattle that have participated in the GARE process.

BACKGROUND

I would like to thank Mayor Liccardo for including an equity screen in his memo. Today we face twin challenges – the public health crisis, and a sudden recession. This second challenge requires us to meet the moment of our community's need -- with real equity analysis by each department as part of the budget process.

Seattle has a model that has already been built. Their 2020 budget specifies that: “Consistent with established practice since the launch of RSJI, all 2020 budget adjustments were screened for race and social justice impacts. Departments used the City’s Racial Equity Toolkit (RET) or other tools to assess direct and indirect results of their proposals, and this analysis was then utilized in the decision-making process within CBO and the Mayor’s Office.¹”

And looking at the administration item today, we can see that there is room to further adopt equity screens into the process, as the budget strategies proposed could easily result inequitable results.

For example, many of the current programs that are designed to address equity only receive one-time funding, as we worked as a community to address the worst cuts from the previous recession. Therefore, a strategy of targeting one-time funding as a prime area for cuts may have the effect of targeting programs designed to reduce the inequity in our system – an outcome that must be discussed through an equity screen.

Similarly, paying off our debts quickly may help open up ongoing funding, but at substantial cost to our ability to pay one-time expenses during the crisis. With interest rates near-zero, we should ask whether a strategy of debt reduction really helps preserve services in the upcoming budget, or if it would be wiser to hold onto our cash reserves by making minimum payments on debt.

Last, it’s high time that every memo that goes to our council and committees includes a description on whether the item has any implications for equity. This was implemented years ago in Seattle, and other cities that have gone through the GARE process. Adding this section to the memo, simply requires that every department working on a proposal to council put some thought into the equity component of their work – and share their consideration with the council and public. Again, Seattle presents an easy model, and one that we could easily model our memo question on². A similar item was recently added to our memos for “Climate Smart San Jose” with little discussion, and this would similarly provide just one more question towards the bottom of each memo. Yet it would provide deeply helpful information to our council and our community.

¹ <https://www.seattle.gov/Documents/Departments/FinanceDepartment/20adopt-edbudget/2020%20adopted%20budget.pdf>

² <http://seattle.legistar.com/View.ashx?M=F&ID=8208051&GUID=CABDE678-95CD-498E-AD81-704207E24064>