



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Esparza

SUBJECT: SEE BELOW

DATE: 06/15/2020

Approved *Maya Esparza*

Date: 6/15/2020

SUBJECT: MAYOR'S JUNE BUDGET MESSAGE FOR FISCAL YEAR 2020-2021

RECOMMENDATION

1. Revise Budget Direction to Make Racial Equity a Top Citywide Priority
 - a. As referred to the Budget process from the Council Direction on Police Reform: Direct the City Manager to expand commitment for full implementation of the Office of Racial Equity, beyond the \$200,000 over two years proposed in the Mayor's June Budget Message, for the purpose of developing and carrying out a strategic plan to study and address systemic inequities within our City, including within our Police Department.
 - b. Incorporate the lessons learned in last year's GARE efforts, as laid out in MBA #31, into the June Budget Message, including the serious need for greater funding levels. Incorporate the MBA background and direction to seek sufficient funding for training to increase capacity throughout departments, dedicated CMO leadership, and centralized and broadly implemented shared data infrastructure with standardized data sets, inclusive of race.
 - c. Adopt funding levels for the Office of Racial Equity consistent with past requests from the City Manager – such as 2019's MBA #19, in which the City Manager requested Council to direct \$430,000 per year (a \$180,000 increase over current proposed levels). <https://www.sanjoseca.gov/home/showdocument?id=45417>
 - d. Create a \$1,500,000 Equity Fund Reserve, in line with what had been proposed in 2019/2020 by Councilmembers Peralez, Jimenez, Carrasco, Esparza, and myself in a memo dated June 7th, 2019, and rejected by Council on June 11th, 2019. <https://sanjose.legistar.com/View.ashx?M=F&ID=7297950&GUID=619210E1-FF17-41BC-A317-088B2BE38566>
 - e. Utilize this reserve as a funding source for at least two years of GARE implementation, building the office of Racial Equity, and creating an Equity Fund to

be managed by the Office of Racial Equity to preserve and supplement services for San Jose families.

- f. Direct the City Manager to find savings to fund this investment in Equity

OR

- g. Reduce the 2020-2021 Continuity of Operations Reserve by \$500,000 and
 - i. Defer the following expenses, totaling \$1,000,000:
 - 1. \$350,000 from Capital Improvements to the Hammer Theater
 - 2. \$140,000 from General Fund Fleet Replacement
 - 3. \$510,000 from SJPD's Patrol Car Mobile Data Computer Replacement, by deferring part of the project to a future year
- 2. Increase Funding for Childcare by at minimum \$1,000,000 within the Coronavirus Relief Fund by:
 - a. Reducing Cost Estimates in the Coronavirus Relief Fund by
 - i. \$200,000 from Facilities Improvements
 - ii. \$250,000 from Food and Necessities
 - iii. \$100,000 from PPE and Janitorial Services
 - iv. \$250,000 from the Reserve
 - v. \$200,000 from Consulting and Planning Support
- 3. Accept the Mayor's addition of \$3.5 million of Coronavirus Relief Funds for Digital Inclusion hotspot allocation to the \$5 million for connectivity infrastructure, AND revise direction in the Digital Inclusion section of the June Message to authorize the City Manager to continue negotiating with telecommunications companies, and coordinating with the County Office of Education, as well as additional public partners. Provide direction to utilize the Coronavirus Relief Funds to support the City Manager's solutions to connectivity options, in line with Council direction that will be provided on June 23rd.

BACKGROUND

San Jose stands at a crossroads and a breaking point. Families that have persisted through generations – despite deliberate institutional obstacles consistently placed against their participation in the American Dream. The rules have been rigged and San Jose families find themselves outside of the opportunity to achieve the American Dream. The inequities that institutions have carried on for years particularly harm people of color, and have left them more exposed to the current pandemic. The pain that our community is feeling tracks generations, and has never been addressed.

In the words of James Baldwin, “Not everything that is faced can be changed, but nothing can be changed until it is faced”.

The desire and capacity of what a city can do to support their community through tragedy and crisis stands on full display. Despite vigorous work from our city administration, partners in local and state government, and our best efforts this year on Council – those efforts will not be sufficient to blunt the enormous damage our community is experiencing. Yet, despite this or perhaps emboldened by it, our community is coming to our doorsteps to demand we do more. That we do not pass through this crisis

unchanged, but that we rise to the occasion and dig deep to find a place of justice and equity to govern from.

They are demanding it in terms of police reforms, in terms of our response to COVID-19, in terms of how we prioritize our spending, and in terms of which programs we fund and defund. And they are demanding that we finally confront the racist legacy of a country plagued with racist legacies.

That's why I am calling on the City of San Jose to make substantial changes to our proposed budget with Equity and Racial Justice at the forefront. We must make cuts to fund the changes needed, this memo comes with a recommendation of including the Police Department in substantial parts of those cuts. These cuts will not fulfil our community's demand to "Defund the Police", but they meet the legitimate request that we place our community's needs first.

These cuts place our community first and will allow us to increase our investment in our services to those most in need. I propose a \$1,500,000 Equity Fund Reserve, which would be available to invest in services for those most in need – even after our Coronavirus Relief Fund Dollars are gone. This funding mechanism is in line with the memo submitted over a year ago by Councilmembers Carrasco, Peralez, Esparza, Jimenez, and myself.

Additionally, I ask my colleagues to incorporate the City Manager's Budget Addendum #31, which lays out the CMO's plan for implementing the Office of Racial Equity, as well as the lessons learned in last years GARE efforts.

MBA #31 includes information on the serious need for greater funding levels, in scale with the work ahead. This memo asks for sufficient funding for the GARE Process and the Office of Racial Equity. This process needs dedicated leadership, mandatory training in departments, centralized community level data to inform analysis (including data disaggregated by race and income), and community engagement.

Our City Manager has been working diligently to try to bring this process forward, but has been prevented from taking full scale action by the budgetary limits put in place by this council last year. If we had taken a different direction last June, we would have created the potential for a dramatically different backdrop to these conversations in our community. And we would have entered the Coronavirus crisis with a workforce primed to deliver resources into our hardest hit communities.

Additionally, I ask that we make modest changes to the use of the Coronavirus Relief Funds to improve our Residential Assistance and Digital Inclusion efforts. These changes make a small but substantial change in direction to ensure the best outcome for these programs while controlling costs related to overhead.

We stand at a crossroads. Will we remember this as a moment when the San Jose City Council rose to the moment and allowed our City Administration to embrace an anti-racist workplan?

Across the country, communities are toppling the edifices of racism and breaking down racist institutions. Will our Council change what we need to face AND then face what we need to change to address a crisis of systemic racism in our city?

This memo provides a path forward for both.