

Advancing Excellence in Government Finance



Government Finance Officers Association

To Build Thriving Communities



Your Equity in Budgeting Presenters



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GOVERNMENT FINANCE OFFICERS ASSOCIATION



**Why GFOA believes
equity is important
consideration for
government finance
officers**



**Equity is a necessary
ingredient to increase
public trust in
government**



Our Values Based Code of Ethics





Government Finance Officers Association

Code of Ethics



**INTEGRITY
AND
HONESTY**



**PRODUCING
RESULTS
FOR YOUR
COMMUNITY**



**TREATING
PEOPLE
FAIRLY**



**DIVERSITY
AND
INCLUSION**



**RELIABILITY
AND
CONSISTENCY**

GFOA Code of Ethics

I commit to valuing diversity within my organization and within my community, recognizing my own biases, and calling out unfair discrimination of any kind.



Living the values of our code

End the Acronym

GFOA issues new guidance on the proper referencing of the Comprehensive Annual Financial Report



Effective immediately, GFOA is asking all industry affiliates to stop using the four-letter acronym commonly associated with the Comprehensive Annual Financial Report.

The Research approach to our work



**FINANCIAL FOUNDATIONS
FOR THRIVING COMMUNITIES**



FINANCIAL FOUNDATIONS FRAMEWORK

Pillar 1 **ESTABLISH LONG-TERM VISION**

*Give people
a reason to
cooperate.*

Pillar 2 **BUILD TRUST AND OPEN COMMUNICATION**

*Create the conditions
for cooperation.*

Pillar 3 **USE COLLECTIVE DECISION MAKING**

*Develop forums
for participation.*

Pillar 4 **CREATE CLEAR RULES**

*Reinforce
constructive
behavior.*

Pillar 5 **TREAT EVERYONE FAIRLY**

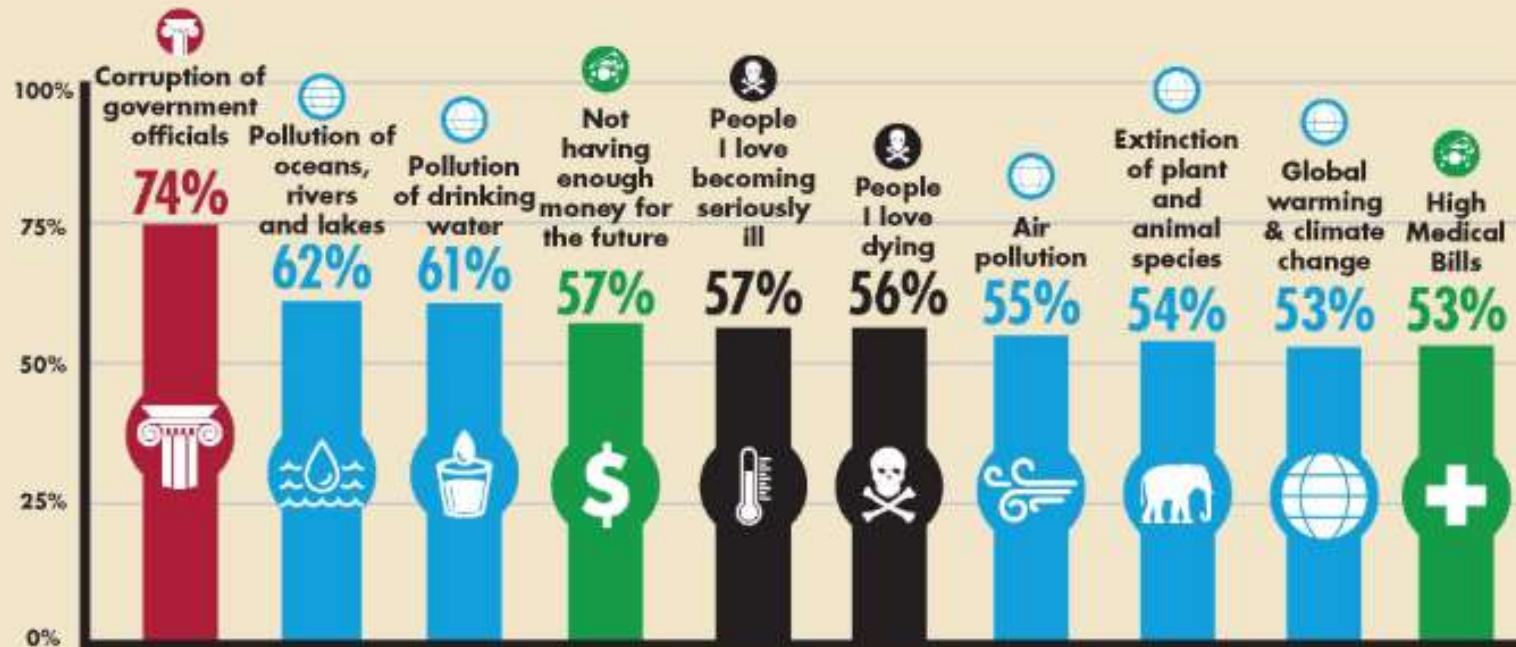
*Promote and
protect mutual
trust and respect.*



**Trust is critical to
government legitimacy
and equity is a key
ingredient of building
trust**



Top 10 Fears of 2018



Above are the 10 fears for which the highest percentage of Americans reported being *afraid* or *very afraid*.

 Government  Environment  Economic  Illness and Death

Source: Chapman University Poll

Complete List of Fears (2020)	% Afraid or Very Afraid
1. Corrupt government officials	79.6%
2. People I love dying	58.5%
3. A loved one contracting the coronavirus (COVID-19)	58%
4. People I love becoming seriously ill	57.3%
5. Widespread civil unrest	56.5%
6. A pandemic or a major epidemic?	55.8%
7. Economic/financial collapse	54.8%
8. Cyber-terrorism	51%
9. Pollution of oceans, rivers and lakes	50.8%
10. Biological warfare	49.3%



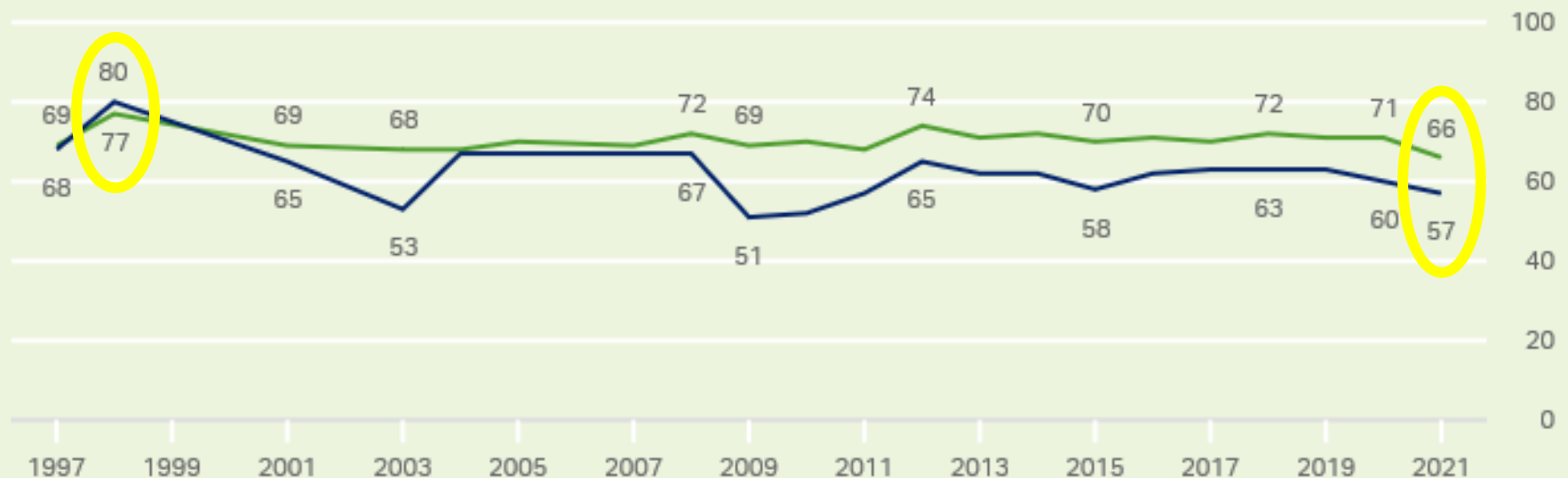
Declining Trust in State/Local Government

Trust in Local and State Governments' Handling of Problems

How much trust and confidence do you have in the [local/state] government where you live when it comes to handling [local/state] problems -- a great deal, a fair amount, not very much or none at all?

% A great deal/fair amount

— Local government — State government



Data from 1972-1976 not shown

GALLUP

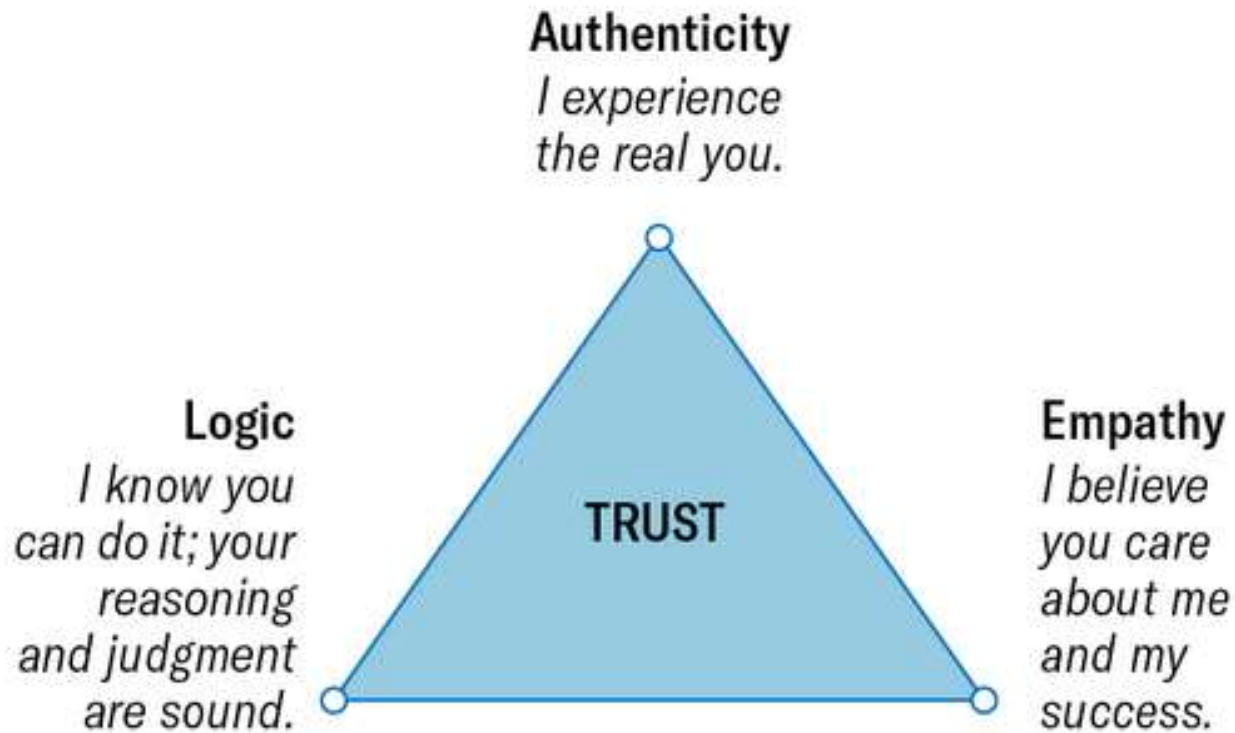
Begin with Trust

The first step to becoming a genuinely empowering leader by Frances
X. Frei and Anne Morriss

From the Magazine (May-June 2020)



Holly Andres



From: "Begin with Trust," by Frances Frei
and Anne Morriss, May-June 2020

City Budgeting for Equity and Resiliency (CBER Initiative)

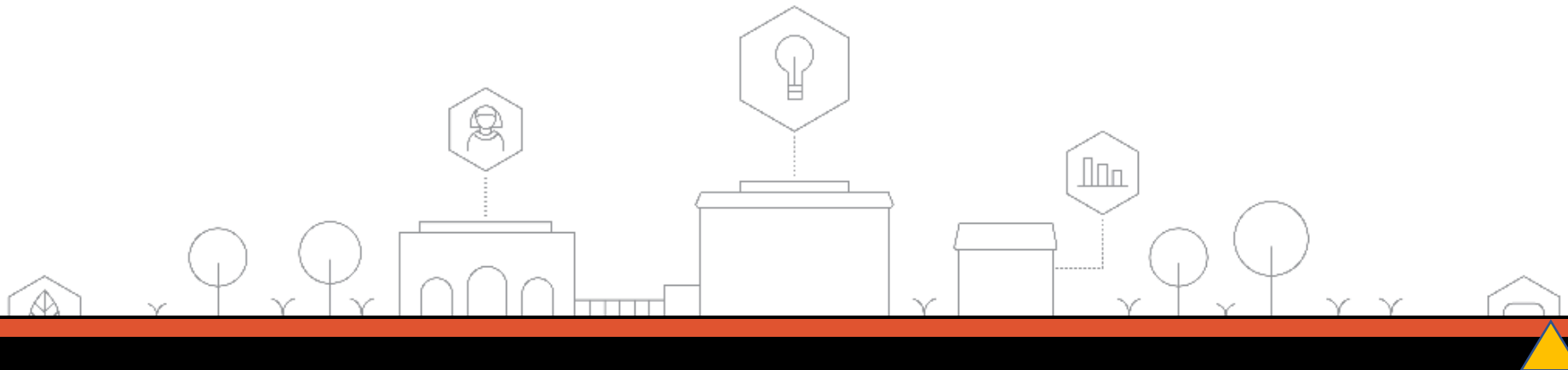


CITY BUDGETING FOR EQUITY & RECOVERY

GFOA was a partner

The **City Budgeting for Equity and Recovery (CBER)** program *from What Works Cities* provides a unique opportunity for budget and finance leaders in cities to:

- 1 **Learn** from other municipal finance experts
- 2 **Problem solve** with a network of peers
- 3 **Share ideas** and solutions on pressing fiscal challenges, and
- 4 **Receive** implementation support for a viable course of action for the city



The 28 U.S. cities committed to budgeting for equity and recovery in their communities



What Works Cities | Bloomberg Philanthropies

CITY BUDGETING FOR EQUITY & RECOVERY

Tacoma	Toledo
Denver	Springfield
West Palm Beach	Providence
Lincoln	Tampa
Columbus	Chula Vista
Syracuse	Savannah
Akron	Pueblo
Chattanooga	Birmingham
Columbia	Austin
Durham	Salt Lake City
Peoria	New Orleans
Rochester	Oakland
Fort Collins	Seattle
Madison	Philadelphia



CHARTING AN EQUITABLE FUTURE

Around the country, cities are embracing new equity-focused data-driven strategies and practices to drive change in the wake of a crisis.

What Works Cities
City Budgeting for Equity
& Recovery Program

 **RESULTS
FOR AMERICA**

**Bloomberg
Philanthropies**

blue meridian
partners





1. Pursue formal Structural Changes to Advance Equity
 - a. Equity Assessment Tool (Austin)
 - b. Budget Equity Committee (Philadelphia)
2. Be Deliberate in Finding Opportunities to Prioritize Equity
 - a. Incorporate equity into official budget forms
3. Redefine Collaboration – The How and the Why
 - a. Participatory Budget Process (Philadelphia)
 - b. Dashboard includes equity (Austin)

*What Works Cities
City Budgeting for Equity &
Recovery (CBER)*





- Recognize where inequity currently exists
 - Differences in access to opportunity between different people and neighborhoods
 - Don't let budget cuts exacerbate these inequities
- Use data when possible and supplement with narratives – bring numbers to life with stories
- Note that low-income communities often mistrust government and therefore do not always call for service (ex: 311 calls for sidewalk repairs may be higher from wealthier neighborhoods although the needs are greater in parts of the city)
 - Assess geography of complaints and feedback
 - Be pro-active in reaching out to under-served neighborhoods.



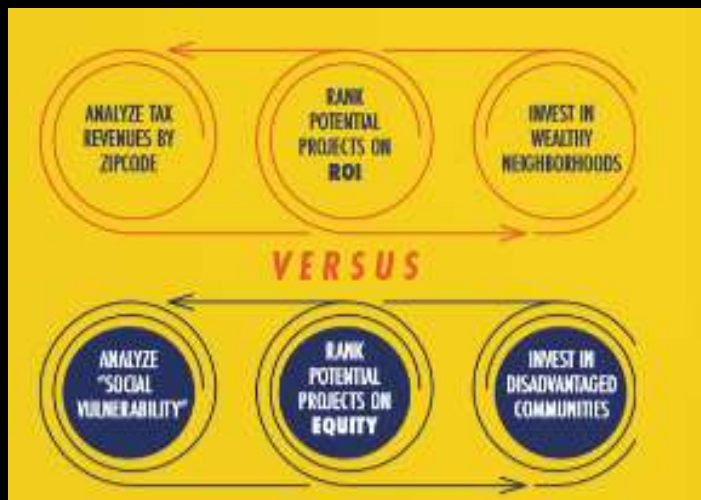
Two Perspectives to Consider on the Equity Impact of Budget Cuts

Perspective #1: Service Impact	Perspective #2: Location Impact
<p>What is the potential for reduced access to services?</p> <p>Fewer places to receive service?</p> <p>Fewer hours of service delivered?</p> <p>Fewer employees to provide a service?</p> <p>Longer response times?</p>	<p>Is the service provided to the entire municipality with little variance by neighborhood?</p> <p>Could vulnerable populations be hurt by the cut?</p>
<p>What is the potential for reduced quality of service?</p> <p>Will the quality be measurably lower?</p> <p>Will the quality meet citizen expectations/needs?</p>	<p>Is the service delivered from a central location and available to the community at-large, but which is used by specific segments of the community?</p> <p>If so, are those segments a vulnerable population?</p>
	<p>Is the service delivered at locations distributed throughout the city with a service population local to the site?</p> <p>Are the populations served vulnerable?</p>
	<p>Is the service one where staff are mobile, but focus on particular neighborhoods?</p> <p>Are those neighborhoods vulnerable?</p>





- Prioritize projects that align with long-term strategic goals
- Develop a more impactful community benefits agreement structure
- Formalize the “% for X” investment goals in major capital projects
- Connect capital budgets and workforce development
- Seek strategies for co-investment
- Set a future focused investment strategy



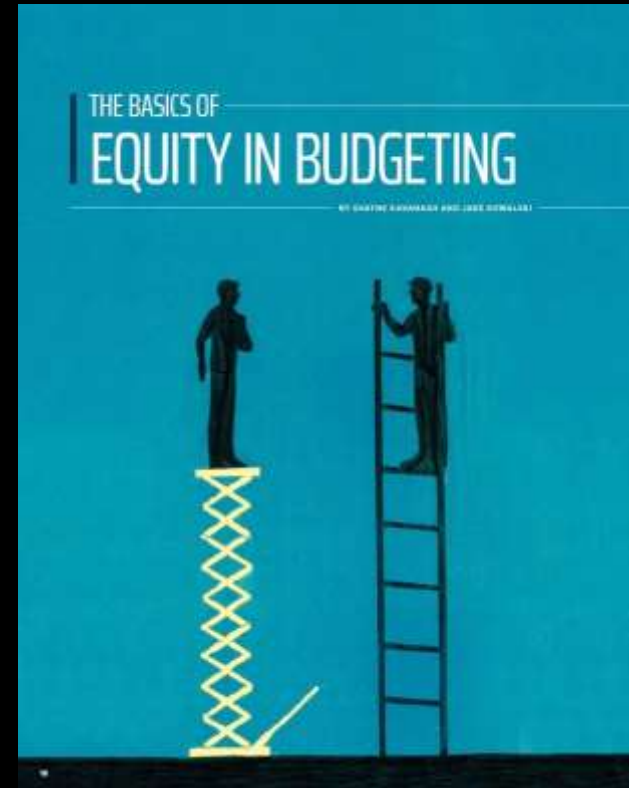
In Raleigh, North Carolina, the city explicitly measures environmental and social, as well as economic, outcomes of projects (the “triple bottom-line”) in its 2030 Comprehensive Plan.⁷



GFOA Initiative on Equity in Budgeting

The Basics of Equity in Budgeting

“By taking equity into account, a local government can reduce the pain experienced by disadvantaged parts of the community as well as that experienced by the community as a whole.”



“The Basics of Equity in Budgeting,” Kavanaugh, Shane, Kowalski, Jake, *Government Finance Review*, February 2021



Equality v. Equity

Equality means treating all people the same.

Equity means people could be treated differently in the interest of giving all people access to health, safety, and welfare (the fundamental purposes of local government)

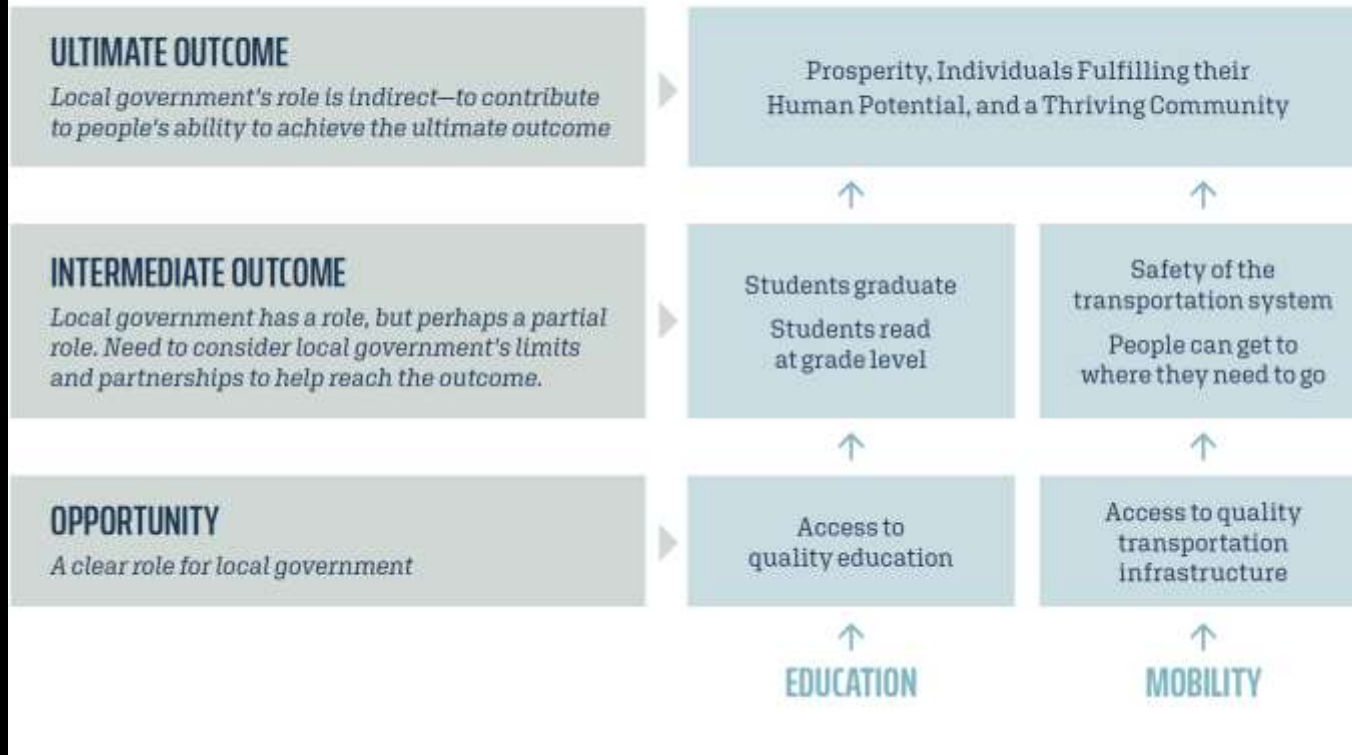


“The Basics of Equity in Budgeting,” Kavanaugh, Shane, Kowalski, Jake, *Government Finance Review*, February 2021



Measuring Achievement

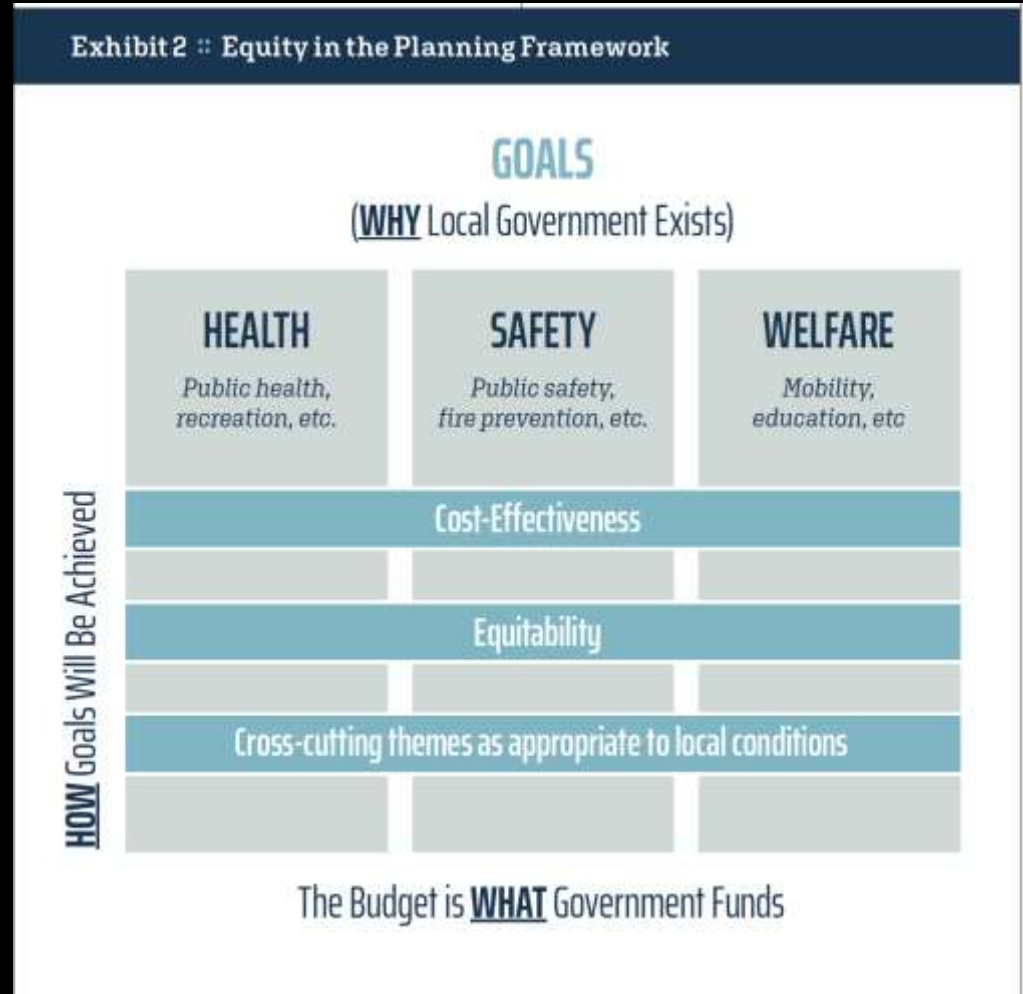
Exhibit 3 :: Decomposition of Opportunities and Outcomes



"The Basics of Equity in Budgeting," Kavanaugh, Shane and Kowalski, Jake, *Government Finance Review*, February 2021

Applying Equity in Budgeting

A local government has goals that describe why government exists in the first place. Here, we see the goals of health, safety and welfare to correspond with the basic purposes of local government, but each local government will have its own goals.



“The Basics of Equity in Budgeting,” Kavanaugh, Shane, Kowalski, Jake, *Government Finance Review*, February 2021

What are the practical concerns with equity in budgeting

A fundamental tension between equality & equity has to do with fairness

- Equality as a budget principle provides a simple straightforward definition of fairness: everyone is treated the same
- Equity brings a different perspective to fairness, one that is more nuance that brings practical concerns about measurement and allocation of resources



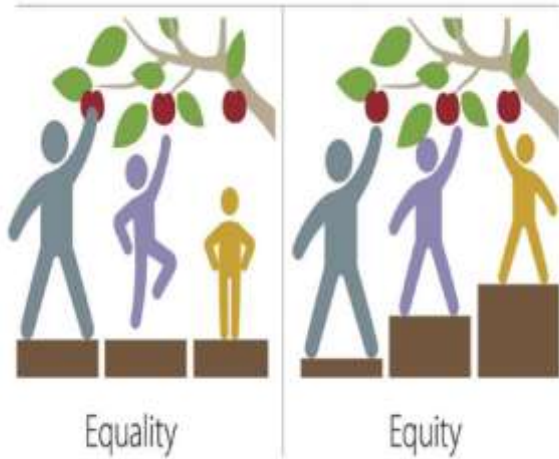
How to apply an equity lens

- Identify goals that can clearly describe why your local government exists
- Describe how your budget enhances, maintains, and supports the quality of life of the community
- Establish equity as an important consideration in how the goals are achieved
- When cutting back the budget, are you considering how those cuts could worsen inequalities
- Develop a program inventory to give you a better insight into what your government does now and what it might do differently in the future





COVID 19 Equity Response Tool



COVID 19 Relief Funding:

A huge opportunity to address inequities:

1. What are the racial and economic equity impacts of this decision?
2. Who will benefit from and/or be burdened by this decision?
3. Is this accessible regardless of ability or status?
4. Will this effort help rebuild toward a just, equitable, and sustainable future?
5. Are there strategies to mitigate any unintended negative consequences of this decision?

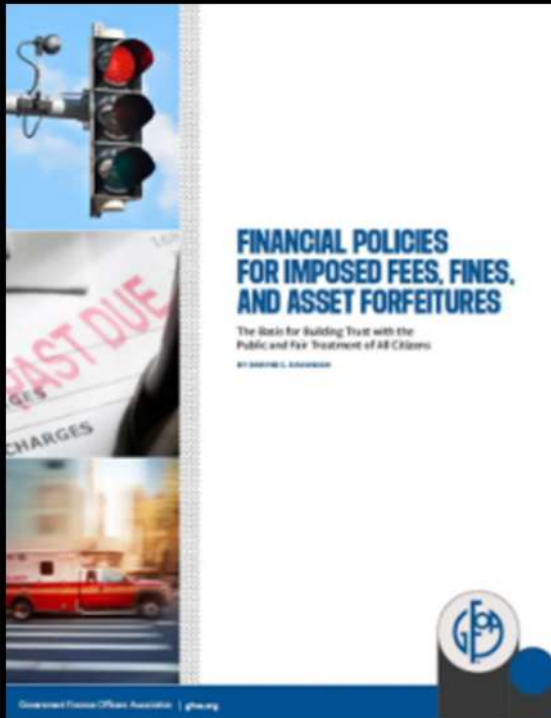


Key Takeaways

- **The case for equity in local government budgeting** -- Concepts of fairness, process, and justice are universal and equity is a core aspect of how cities/counties/school districts are rethinking the budget.
- **How local governments are approaching equity goals** -- Depending on your government's goals and objectives, measuring achievement may look different, but planning and communications are critical to the success of the initiative.
- **Tools and frameworks for local governments** -- The GFOA provides frameworks to support efforts to bring equity considerations into budgeting at [gfoa.org](https://www.gfoa.org)



Relevant GFOA Research Reports



<https://www.gfoa.org/materials/fees-fines-foreitures>



<https://www.gfoa.org/fairness>



<https://www.gfoa.org/materials/time-for-change>



RETHINKING REVENUE

PART 1

RETHINKING LOCAL GOVERNMENT REVENUE SYSTEMS

Why is it necessary?

gfoa.org/rethinking-revenue

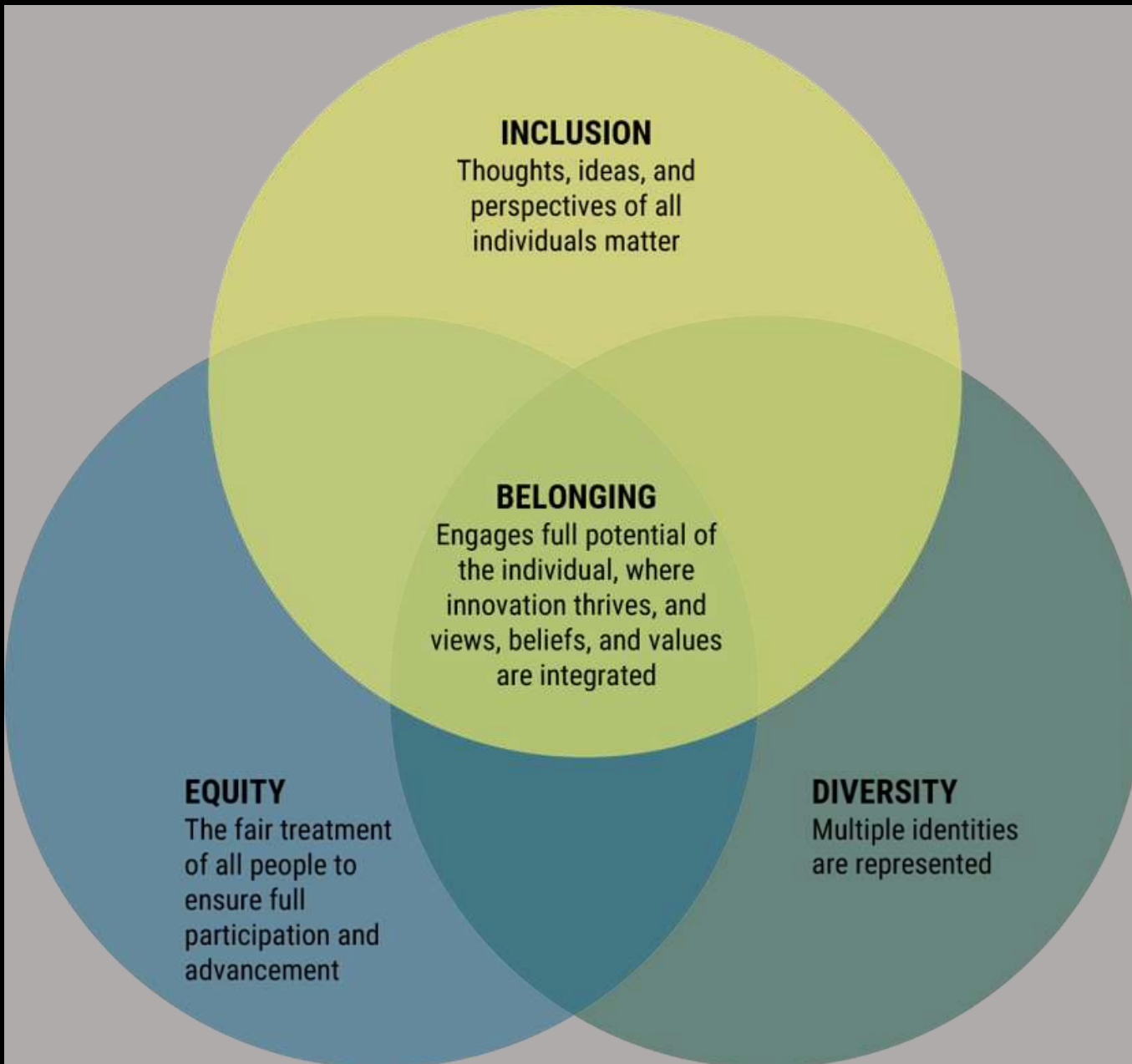


SIX CRITERIA TO JUDGE LOCAL GOVERNMENT REVENUE



Some Final Thoughts





Inequality

Unequal access
to opportunities



Equality?

Evenly distributed
tools and assistance



Equity

Custom tools that
identify and address
inequality



Justice

Fixing the system
to offer equal access
to both tools and
opportunities



Thank You



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