To: California Racial Equity Commissioners

From: Racial Equity Commission Staff

Re: Budget Equity Committee Meeting Report – February 20, 2025

Commissioners in Attendance (Remote): Candis Bowles, John Kim, Gabriel Maldonado, and Jolie Onodera

Committee Recap

- The Committee identified key budget equity priorities to be considered by the full Commission to further inform the Framework.
- Commissioners heard from Chris Hoene (California Budget and Policy Center) and Sarah Lawton (Government Alliance on Race and Equity) on Budget Equity Tools.

Key Takeaways

- There are currently no requirements on embedding equity within the state budget process with the exception of the budget change proposal (BCP) template. The BCP template asks agencies and departments to describe "equity considerations" for funds they are requesting. Formalizing more explicit equity considerations throughout the annual BCP process may provide the opportunity to explore the benefits and/or burden of budget decisions on communities. Transparency, accessibility, and community engagement elements are key to advancing equity in the state budget process.
- Key components of a budget equity toolkit may include similar elements to the GARE model: visualize (identify racial disparities using disaggregated data), normalize (equity tools and practices that clearly articulate anticipated population benefits and burdens), and operationalize (implement processes and procedures that ensure resources reach the intended population). Approaches such as the GARE framework to achieve targeted universalism. Targeted universalism is a systemic approach that involves setting universal goals and developing targeted strategies to achieve those goals (Powell, Menendian, and Ake, 2019).

- Budget equity tools can include community indicators (social, economic, or environmental factors) that reflect elements of community well-being.

- California has an opportunity to lead efforts on statewide budget equity work. Local models in California on implementing budget equity tools have been successful in Los Angeles County and Los Angeles Unified School District to name a few.

Committee Discussion Highlights

- There are four overarching themes for the Committee to consider for the budget equity component of the Framework: prioritization, transparency, input, and accountability.

- Based on The California State Budget Process presentation, the Committee requested additional research on budget equity tools, practices, and strategies at the legislative level and the administrative level.

- Commissioners recommended exploring the feasibility of creating a statewide database that uplifts community needs by geography and recommending a need-based rubric to inform the allocation of funds.

- An additional recommendation for research is the feasibility and process for a constitutional amendment that directs the implementation of equity practices and development of policies in state government.

- Ensure community engagement and accessibility serve as key components to infuse equity in the budget process.

- Clarify equity budget equity goals that are short-term or incremental versus long-term.

Next Steps

- Staff will conduct additional research based on the Committee discussion and priorities identified.

- The Committee and Commission Staff will consider the California Budget Process and Budget Equity tools, practices, and identify additional resources to inform the Budget Equity tools, methodologies, and strategies to consider for the Racial Equity Framework.

Intersection with the Framework and Commission Strategy

- The use of plain language, elements of accessibility for those with a variety of abilities, budget equity strategy recommendations, disaggregated data, etc., will be incorporated into the development of the budget equity component of the Framework.

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