



# Equity in the Budget

*Prepared by:*

Racial Equity and Social Justice Initiative (RESJI) &  
Finance Department

Fiscal Year 2025

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## Equity in the Budget: Overview

With leadership and support from Mayor Satya Rhodes-Conway, the City of Madison’s Equity in the Budget process was developed in 2021 by the Racial Equity and Social Justice Initiative (RESJI) and the Finance Department. The Equity in the Budget process integrates explicit considerations of racial equity and social justice into budget development and resource allocation.

The incorporation of equity into the budget is both a process and a product. The process requires every department to consider a set of questions to assess how both capital and operating budget requests benefit and/or burden communities who have been systematically marginalized.. RESJI staff, the Mayor’s office, and a management team (comprised of senior staff from various City departments), analyze all budget requests to determine if the request maintains or improves service levels, quality of life for residents, operational efficiency, and advances citywide priorities, including racial equity. The final product of the analysis is a capital and operating budget that makes direct investments in advancing equitable outcomes.

Integrating equity into the budget process through an assessment tool is a key strategy in the City of Madison’s comprehensive approach to racial equity and social justice. This is in alignment with other strategies to operationalize equity throughout the City, including but not limited to: the Racial Equity Analysis Tool, the Equitable Hiring Tool, and Department Equity Action Plans.

**Equity** is one of the five core values at the City of Madison, along with civic engagement, well-being, shared prosperity, and stewardship. PolicyLink defines equity as just and fair inclusion into a society in which all people can participate, prosper, and reach their full potential.<sup>1</sup>

**Racial equity** is a process of eliminating racial disparities and improving outcomes for everyone. It is the intentional and continual practice of transforming policies, practices, systems, and structures by prioritizing measurable change in the lives of Black, Indigenous, and people of color.<sup>2</sup>

### OUR VALUES



#### Equity

We are committed to fairness, justice, and equal outcomes for all.



#### Shared Prosperity

We are dedicated to creating a community where all are able to achieve economic success and social mobility.



#### Civic Engagement

We believe in transparency, openness, and inclusivity. We will protect freedom of expression and engagement.



#### Stewardship

We will care for our natural, economic, fiscal, and social resources.



#### Well-Being

We are committed to creating a community where all can thrive and feel safe.

<sup>1</sup> <https://www.policylink.org/about-us/equity-manifesto>

<sup>2</sup> <https://www.raceforward.org/about/what-is-racial-equity-key-concepts>

# Equity in the Budget Process

- 1. Agency Request**
    - **Budget Request Form:** Departments complete request forms and articulate how their proposed capital projects and/or operating services incorporate equity considerations, what data informed their proposal, and whether the request is related to a recommendation from a Neighborhood Resource Team (NRT).
    - **Transmittal Memo:** Departments describe their department-wide strategy for prioritizing equity in the budget.
    - Budget requests and memos are published so that Alders and the public can review budget submissions.

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  - 2. Executive Budget**
    - **Budget Proposal Review:** The Mayor, Deputy Mayors, and a management review team that includes Racial Equity and Social Justice Initiative staff, review all capital and operating budget proposals.
    - Proposals are assessed on multiple factors, including both fiscal and service level impacts, and whether the proposal advances citywide priorities.
    - A subset of proposals undergo a more comprehensive evaluation following a rubric that includes racial equity and social justice considerations.
      - **Capital Budget:** Proposals for i) new projects and ii) previously authorized projects that have a significant change in scope or budget.
      - **Operating Budget:** Proposals for supplemental requests and agency reductions.

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  - 3. Adopted Budget**
    - Alders can amend the executive budget through the Finance Committee and Common Council. Alders are encouraged to consider equity impacts in their amendments to add, reduce, or reallocate funding across projects/ services.
    - The Executive Budget, as amended by the Finance Committee and Common Council, is adopted by the Common Council.

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  - 4. Process Reflection**
    - At the end of 2021, Racial Equity and Social Justice Initiative staff facilitated multiple listening sessions on the equity in the budget process. Finance department staff conducted a survey on all aspects of the budget process. These inputs were used to produce this guide and revise the agency request form. Feedback and reflection will continue to be part of the process.
    - For the 2025 operating budget request, the equity questions were revised again to focus on changes to the agency’s baseline budget (reallocations and reductions).
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## 2025 Budget Calendar and Equity Questions

|  | Capital                 | Operating       |
|--|-------------------------|-----------------|
| Kick-Off Meeting                                   | March 19                | June 17         |
| Requests Due                                       | April 19                | July 19         |
| Q&A with Mayor’s Office                            | May 8 – 17              | August 12 – 14  |
| Executive Budget introduced to Common Council (CC) | September 10            | October 8       |
| Finance Committee (FC) Briefings                   | September 16 – 17       | October 14 – 15 |
| FC Amendment Meeting                               | September 30            | October 28      |
| CC Amendment Week                                  | October 29 – November 6 |                 |
| CC Budget Adoption Meetings                        | November 12 – 14        |                 |

### Capital Budget Transmittal Memo Prompt

Agencies must respond to the following prompt when submitting their capital requests:

*Provide an overview of how you are considering equity within your budget as a whole. This is for you to consider how your Department’s equity work is explained in your overall strategic plan and division work plans.*

### Capital Budget Questions

We are continuing our efforts to articulate and prioritize racial equity and social justice in the City’s budget and operations. Please respond to the following questions and incorporate these responses into your budget narrative to ensure racial equity is included in decision-making.

#### **For Projects/ Programs that are primarily focused on maintenance or repair:**

1. Describe how routine maintenance and/or scheduled repair considers equity and quality of life for residents. Describe how you use an equity lens to prioritize maintenance and/or repair.

#### **For Project/ Programs that are NOT primarily focused on maintenance or repair:**

1. What specific inequities does this program intend to address? How and for whom?
2. What data helped shape your proposal? Data may include qualitative and quantitative data such as demographic, qualified census tracts, environmental justice areas, specific recommendations from a Racial Equity and Social Justice Analysis, or other sources.

#### **For all projects:**

3. Is the proposed budget or related to a recommendation from a Neighborhood Resource Team (NRT)? If yes, please identify the NRT and recommendation. Be as specific as possible.

### Operating Budget Transmittal Memo Prompt

The operating budget prompts are focused on proposed changes to an agency’s base budget, rather than addressing the budget as a whole.

*Reallocations and supplemental requests: Explain why the changes are needed in 2024 and if the reallocations align with your Department Equity Action Plan or other equity goals.*

*Enterprise agencies proposing rate increases: How have you considered equity and resident ability to pay?*

## Operating Budget Questions

For agencies proposing reallocations or supplemental requests:

1. Explain how your proposed change(s) will align with your 2023-2025 Department Equity Action Plan or other equity related goals. How will the change(s) address specific inequities ?
2. Is the change related to a Neighborhood Resource Team (NRT) recommendation? Be as specific as possible.

## Engaging your Department Equity Team (DET)

Department Equity teams work to advance racial equity and social justice within their departments, and thereby within City structure as a whole. Department heads and budget contacts are encouraged to collaborate with their DET to develop their 2025 operating budget proposal. Below are suggestions for how department heads and budget contacts can engage DETs.

- **Inform:** Department heads and budget contacts can attend a DET meeting to explain the agency's internal budget development process and review the base budget. An informational overview may be helpful if DET members are not familiar with the budget process.
- **Collaborate:** DETs can collaborate with agency leadership on drafting responses to equity questions and explaining how a proposal is aligned with the department's Equity Action Plan. Additionally, DETs can continue to support implementing services with an equity lens throughout the year after budgets are developed.
- **Propose:** DET members can propose **net neutral** service changes that increase equitable outcomes for residents. Net neutral changes do not increase the total cost of a service and are achieved by reallocating and prioritizing funds across activities. Staff are encouraged to think of creative approaches to service delivery. When proposing service changes, focus on changes with the greatest positive impact on residents.
- **Advise:** Ask DET members to advise on the equity impacts of reallocations and supplemental requests. DET feedback can be used to prioritize requests that change the agency's base budget.
- **Review:** Agency leadership can ask DET members to review the final budget proposal and provide feedback prior to submission.

## Equity Strategies

### 1. Prioritize equity over equality

“Equity” is often conflated with the term “equality” (meaning sameness). Equity implies that an individual or community may need to experience or receive something different (not equal) in order to achieve fairness and access.

Historically, governmental policies have contributed to racial and social inequities that continue to cause harm today. Contemporary policies that do not explicitly address these inequalities may worsen or sustain the conditions unintentionally. Given such deep-rooted issues, serving those with different circumstances and histories equally is often inequitable. Instead, we must intentionally use equity tools that center on the realities and perspectives of those harmed by current systems to eliminate racial and social inequities.

**Strategy Tip:** Seek to understand the root causes of the issue(s) and how it will affect different populations in unique ways. Start off by addressing those who are most impacted.

### 2. Be equity-data driven

Advancing equity requires the use of **qualitative and quantitative data**. These data inform a larger story about the unique realities of marginalized individuals and groups, instead of assumptions about different populations and neighborhoods. We must be expansive about how we think of data. This includes valuing and using qualitative approaches like community discussions, focus groups, interviews, and thoughtful observations to inform budget proposals. Including both qualitative data and quantitative data is essential to furthering equity as it can reveal the wide-ranging experiences of populations, but also their strengths, assets, and priorities.

Disaggregated data is also crucial for understanding how various groups are differently situated. If you are proposing a program that will impact a specific geographic area, what are the racial and income demographics of the people who live in that area? Other disaggregated data categories might include: ethnicity, gender, sexual orientation, age, disability, immigrant, refugee or asylee status, primary language, zip code, and council district.

**Strategy Tip:** Affected communities should have a say in what data are collected, how data are used, and how their own identities and experiences are captured. Ensure that the communities you are serving are partners in defining data questions, collection, and use, and then contribute their labor.

### 3. Value relationships and community engagement

Budget proposals should not be made in a vacuum. They should be the result of collaborative staff and community engagement. Authentic relationship building with those most affected by policy decisions is key to uncovering equitable practices and solutions. Robust community engagement in budgetary

decisions and resource allocation is a critical step in ensuring that City services are equitable to all residents.

**Strategy Tip:** Start by acknowledging the realities and dynamics that directly affected communities have pointed out already. When looking to create strategies for community engagement, look to the [RESJI Public Participation Guide](#) and to Neighborhood Resource Teams as points of support and guidance.

#### 4. Plan to be accountable

Being accountable for equity means being committed to equity as both a process and an outcome. It means making a commitment to advance equity by setting goals and measuring progress. Measurable results will help prioritize certain programs, plans, and policies reflected in your budget. What were the outcomes of the funding allocations your Department, Division, or Office received? Have you shared those with stakeholders and community members?

**Strategy Tip:** Decide who will track progress towards meeting goals outlined in your budget, how they will track those goals, and how you will communicate progress.

## Terms

- **BIPOC:** An acronym standing for “Black, Indigenous, and People of Color.” The term highlights the divergent and or shared needs and concerns of these distinct communities.
- **Data:**
  - **Disaggregated Data:** Disaggregating data means breaking down information into smaller subpopulations. For instance, breaking data down into racial/ethnic categories.
  - **Qualitative Data:** Qualitative data offers important perspectives and information not captured by quantitative data methods. Qualitative data allows for narrative and storytelling— two sources of information that quantitative data cannot use. Qualitative data can also be used to illuminate and complement quantitative findings. Qualitative data incorporates a racial and ethnic equity perspective most effectively when qualitative measures explicitly ask about root issues.
  - **Quantitative Data:** Quantitative data are used in order to quantify a problem, or address the "what" or "how many" aspects of a research question. It is data that can either be counted or measured, and given a numerical value. Quantitative data tends to be structured in nature and is suitable for statistical analysis.

- **Equity** is one of the five core values at the City of Madison (along with civic engagement, well-being, shared prosperity, and stewardship). Equity is just and fair inclusion into a society in which all people can participate, prosper, and reach their full potential.<sup>3</sup>
  - **Racial equity** is a process of eliminating racial disparities and improving outcomes for everyone. It is the intentional and continual practice of transforming policies, practices, systems, and structures by prioritizing measurable change in the lives of Black, Indigenous, and people of color.<sup>4</sup>
  - **Equity Lens** is a critical thinking approach for analyzing policies, power, relationships, outcomes, and solutions. It asks key questions centered on the realities and perspectives of those most harmed by our social systems and potentially eliminates barriers. An equity lens will not necessarily tell us what action to take. Rather, the lens helps us discuss and reflect on equity considerations as we act and make decisions.<sup>5</sup>
- **Marginalized:** A social process by which individuals or groups are (intentionally or unintentionally) distanced from access to power and resources. This term describes a social process rather than an individual's lack of agency. To what extent populations are marginalized, however, is context specific and reliant on many factors.
- **Intersectionality** A term coined by Black lawyer and scholar Kimberlé Williams Crenshaw. Crenshaw states, "Intersectionality is simply a prism to see the interactive effects of various forms of discrimination and disempowerment. It looks at the way that racism, many times, interacts with patriarchy, heterosexism, classism, xenophobia — seeing that the overlapping vulnerabilities created by these systems actually create specific kinds of challenges."<sup>6</sup>
- **Social Justice:** An analysis of how power, privilege, and oppression impact our experience of our social identities. "... social justice is both a process and a goal. The goal of social justice is full and equal participation of all groups in a society that is mutually shaped to meet their needs. Social justice includes a vision of society in which the distribution of resources is equitable and all members are psychologically and physically safe and secure."<sup>7</sup>

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<sup>3</sup><https://www.policylink.org/about-us/equity-manifesto>

<sup>4</sup><https://www.raceforward.org/about/what-is-racial-equity-key-concepts>

<sup>5</sup>[https://www.lanecounty.org/government/county\\_departments/county\\_administration/equity\\_access\\_and\\_inclusion/equity\\_lens](https://www.lanecounty.org/government/county_departments/county_administration/equity_access_and_inclusion/equity_lens)

<sup>6</sup><https://time.com/5786710/kimberle-crenshaw-intersectionality/>

<sup>7</sup> Lee Anne Bell, Theoretical Foundations for Social Justice Education, 2013



## Equity Data Tools & Resources

### City of Madison Resources

#### **City of Madison Neighborhood Indicators Project (NIP)**

The NIP is a tracking system designed to follow neighborhoods' wellness over time.

<https://madison.apl.wisc.edu/>

#### **City of Madison Open Data**

City's Open Data Portal has social, environmental and economic data sets.

<https://data-cityofmadison.opendata.arcgis.com/>

#### **Racial Equity and Social Justice Initiative (RESJI) Public Participation Resource Guide**

The goals of the guide are to: 1. Elevate the role of public participation, 2. Develop a shared approach and set of values for community engagement, and 3. Help agencies center racial equity and inclusion when planning for public participation and when developing projects, programs, and policies.

[https://www.cityofmadison.com/civil-rights/documents/RESJI\\_PublicParticipationResourceGuide.pdf](https://www.cityofmadison.com/civil-rights/documents/RESJI_PublicParticipationResourceGuide.pdf)

#### **RESJI Staff**

RESJI Staff are available to consult with agencies on budget proposals and strategize on how to incorporate equity considerations in the budget.

- Kristy Kumar, Equity and Social Justice Division Manager, [kkumar@cityofmadison.com](mailto:kkumar@cityofmadison.com)
- Tariq Saqqaf, Racial Equity and Neighborhood Resource Team Coordinator, [tsaqqaf@cityofmadison.com](mailto:tsaqqaf@cityofmadison.com)

#### **Department Equity Teams**

Every department/division has a Department Equity Team (DET). Agency heads and budget contacts are encouraged to reach out to DET Co-Leads and members to inform their budget proposals.

### National Resources

#### **National Equity Atlas**

Developed by PolicyLink and the University of Southern California's Program for Environmental and Regional Equity (PERE), the National Equity Atlas includes citywide data disaggregated by race and income. Examples of available equity indicators include homeownership, wages, unemployment, disconnected youth, school poverty, air pollution, education levels and job requirements, housing burden, car access, neighborhood poverty, asthma, diabetes, etc.

<http://nationalequityatlas.org/indicators>

#### **Statistical Atlas**

A comprehensive atlas produced by the Census Bureau, and a source for disparity data

<https://statisticalatlas.com/United-States/Overview>