



Center for Budget Equity and Innovation

Across the nation, a national awakening to systemic injustice has highlighted historical disparities and magnified the need for innovative strategies to bring greater equity into our communities. In response, state and local governments are now sharpening their focus on how to apply and advance emerging equity-based tools and practices in service delivery, budgeting, and capital investment to help drive positive change. Over the last three years, PFM Group Consulting LLC (PFMGC) has worked with more than eighty local governments on a variety of engagements.

PFMGC's Center for Budget Equity and Innovation (CBEI) stands at this intersection of equity, policy, operations, and finance – engaging communities across the country to ensure inclusivity and fairness in government administration.

Insights to Meet the Moment

Governments carry an enormous burden and opportunity to impact the lives of residents and stakeholders. Yet, without a clear perspective on equity, elected officials and administrators can too often overlook important barriers to access and miss opportunities to apply resources more efficiently and effectively. CBEI stands ready to assist public sector leaders with these challenging concerns.

Our team brings an analytical, financial, and strategic policy approach to advancing equity. Through thoughtful and place-based strategies that meet state and local governments where they are today, the CBEI offers a variety of services and tools, including:

- Equity-based budgeting practices (operating and capital)
- Development of equity metrics
- Equity-based financial planning
- Evaluation of equity needs and opportunities
- Integrating equity in government operations & policy
- Tax, fee, and tax incentive analysis from an equity perspective
- Equitable recovery strategies and long-range financial plans
- Equity and "Triple Bottom Line" (social, environmental, financial) impact analysis of major projects and investments
- Stakeholder and community engagement

CBEI's goal is to support our clients as they address institutional and structural barriers, evaluate burdens, benefits, and outcomes, and create solutions that promote growth in economic opportunity with a strengthened sense of community belonging.

Placing Equity and Innovation into Practice

CBEI's professionals bring hands-on experience and analytical expertise in the emerging fields of budget, equity, and innovation with a record of producing impactful results for our clients, for example*:

What is Budgeting for Equity?

Adjusting budget processes for more efficient, effective, and equitable generation and allocation of resources.

Setting/resetting and aligning budget goals and priorities to reverse historical disparities in:

- Operating Budgets
- Capital Investment
- Tax/Fee Policy
- Long-Range Financial Plans
- Financial data and decision-making

Identifying and overcoming barriers to equitable services, such as:

- Language and literacy
- Culture and trust
- The digital divide
- Location and physical access
- Income and cost of services
- Work schedules and childcare demands

Effectively using more granular data to set metrics and track progress.

Improving equity reporting to gain deeper insights for informed decision-making.



- **Investing in Danville** was a community-driven strategy for Danville, VA, to identify equitable uses for a major new revenue source. As the project lead on behalf of the City, CBEI identified guiding principles, facilitated community engagement, conducted equity mapping, and helped to align community feedback and best practices to develop actionable recommendations for investment.
- **City Budgeting for Equity and Recovery** was a nationwide initiative of the Bloomberg Philanthropies What Works Cities program. CBEI was a technical assistance provider to eleven participating cities across the country, including New Orleans, LA, Tampa, FL, and Chula Vista, CA. CBEI supported the development and implementation of diverse plans to drive equitable financial recovery across city governments.
- **San Antonio's "Future Ready Plan"** was a multi-stakeholder commitment to improving racial and ethnic equity for youth in education and employment outcomes, two linked domains that are vital to both recovery and mobility. CBEI led the financial coordination and sustainability components of this regional effort.
- **Public Finance Initiative Racial Equity in the Municipal Bond Market** is a multi-year Robert Wood Johnson funded project that aims to center equity in municipal bond-funded investments and to measure how social determinants of equity change over time. PFM has facilitated issuer focus groups and is actively providing technical assistance to issuers in the program as they advance racial equity in their operations, and capital and bond programs.
- **Norfolk's Pilot Citywide Equity Framework** was an effort through the City's DEI Office where CBEI worked with six pilot departments to develop individual and citywide equity frameworks for the eventual implementation of the framework to all departments citywide. The Framework provides a model for moving the City closer to achieving its equity goals and vision by integrating equity into citywide operations and processes.



About PFM

PFM opened its first office with three employees in 1975. From the very beginning, we understood the need for an independent financial and professional services firm founded exclusively for the benefit of governments and non-profit entities. Today, PFM's advisors and consultants work on a broad range of complex challenges faced by public sector leaders across the country. We offer superior financial advice, tailored consultation and implementable ideas that can truly make a difference.

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