

Agenda Item: 11b\_supp  
Meeting Date: July 11, 2023

# Equitable Spending and Accountability Project (ESAP)

# Why ESAP?



# Equity Policy Directive - Guidance


1. The Executive Director, or a delegate, shall:
  - a. Develop a definition for “**equity-related resources.**” The proposed definition shall be reviewed by Commissioner Mohamed, Commissioner Cho, and the Equity and Workforce Development Committee.
  - b. Calculate and summarize all such equity-related resources in the 2019-2022 Port budgets. These resources shall be calculated as a percent of the total operating budget.
  - c. Propose a structure for communicating and executing a pilot for “equity-related resources” in the 2024 budget to Commissioner Mohamed, Commissioner Cho, and the Equity and Workforce Development Committee before the adoption of the 2024 budget. The results of this pilot shall be considered for further action.

# Equity Spending Recommendation

1. Focus on operating costs, as prioritized in EPD.
2. Exclude WMBE spending costs from the final percentage of equity spending.
3. Identify and track levy tax dollars spent on equity.
4. For tracking staff time, identify and track costs only for those staff whose primary responsibilities are equity-focused.

# Defining Equity Spending

The Port of Seattle defines *equity spending* as Port investments that:

- 1) Invest directly in structurally excluded communities, either through grants, contracts, programs, sponsorships, or dedicated facilities; OR
  - 2) Invests in businesses and individuals outside the Port to help us realize our internal and external equity priorities; OR
  - 3) Invests in Port staff whose essential work functions were designed to primarily focused on advancing equity work.
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# Equity Spending Criteria

If an investment meets one of the definitions, then it must also meet at least one of the key criteria:

- A. Advances diversity for the Port.
- B. Removes systemic barriers for BIPOC or structurally excluded communities to participate in the Port.
- C. Programs and funding that were developed through direct engagement with communities, and/or communities been consulted in design of the program.
- D. Has a demonstrable impact in quality of life for BIPOC or structurally excluded communities.
- E. Was intentionally designed to have a positive impact in BIPOC or structurally excluded communities.
- F. Achieves our environmental justice goals and removes barriers for BIPOC or structurally excluded communities to live and enjoy a healthy environment.

# Methodology for Initial Analysis

- Established a baseline using the past 4 years of spending
- Used direct, clear definition of equity to analyze spending; only included spending that is easily accessible to ensure repeatability
- Spending include staff costs only for FTEs whose primary functions are equity-focused
- Engaged all Divisions in this analysis

2	Contact	Category	Equity Definition	Division	Item	Op/Non-Op/	2019 E	2020 E	2021 E	2022 E
29	Sally	Engagement	1, C	Corporate	Parks/parks renaming	Op	0	49,999	0	0
30	Sally	Community Investments	2, A, B, C, D, E	Corporate	SKCCIF Community Capacity Building Contracts (Alma Villegas Consulting, Siliana Consulting)	Op	23,746	101,275	45,508	29,247
31	Pearse/ Bookda	Community Investments	1, A, B, C, D, E, F	Corporate	South King County Community Impact Fund	Op		80,000	848,296	1,080,127
32	Sally	Community Investments	2, A, B, C, D, E	Corporate	Duwamish Valley Community Equity Program - Community Capacity Building Contract and Green Jobs Program	Op	0	117,807	245,689	372,582
33	Dave	WMBE Investments	1, A, B, D, E	Economic Development	Community Business Connector (formerly Regional Small Business)	Op	0	0	0	0
34	Dave	WMBE Investments	1, A, B, D, E	Economic Development	Diversity in Contracting (exclude staff costs)	Op	197,332	210,401	321,875	415,833
35	David	Engagement	1, A, B, D, E	Economic Development	Duwamish River Community Hub - Facility Management	Op	0	0	19,542	60,000
36	Sandy/Sarah C	Environmental Justice		Maritime	Climate and Sustainability	Op	\$329,522	\$154,955	\$195,723	\$227,383
37	Sally	Engagement	1, A, B, C, D, E	Corporate	Duwamish Valley Community Hub (total of two Depts - ER, Mar ENV)	Op	0	0	48,407	80,100
38	Sandy/Sarah Cox	Environmental Justice	1, F	Aviation	Noise	Capital	400,872	326,754	414,025	430,249

# Equity Spending Summary

## (Focusing on Operating Expenses w/o WMBE)

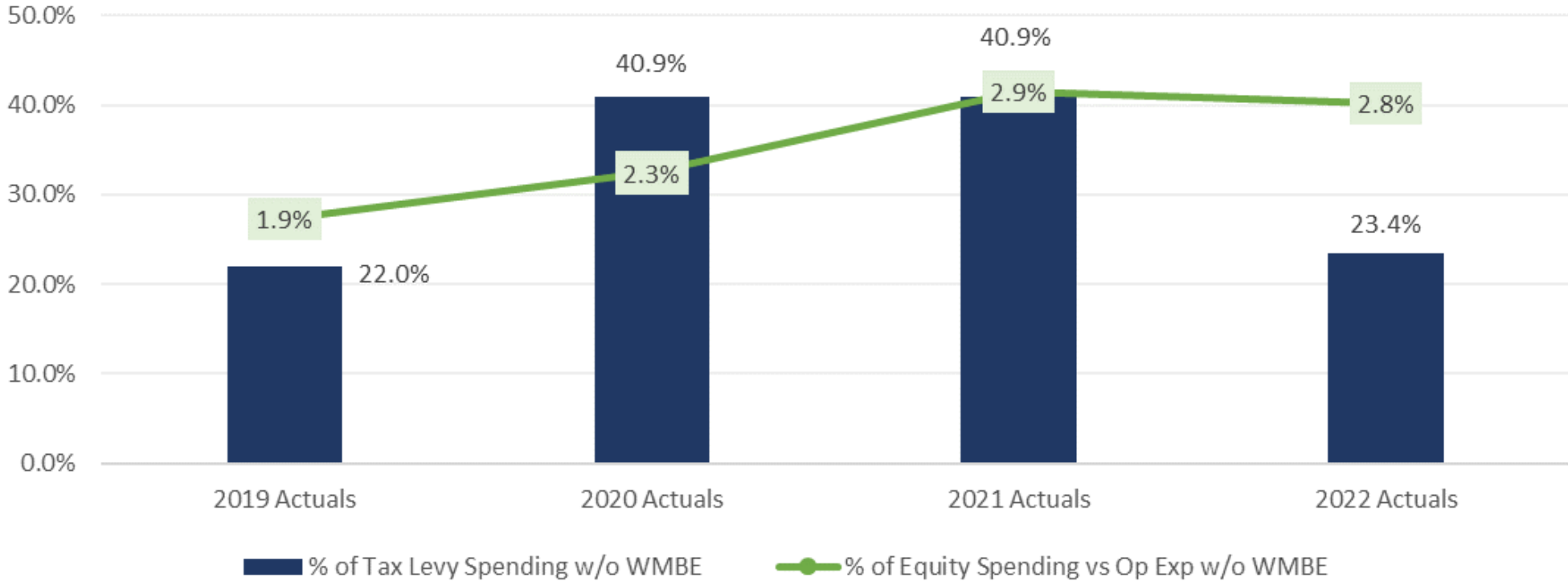
<i>In 000's</i>	<b>2019</b> <b>Actuals</b>	<b>2020</b> <b>Actuals</b>	<b>2021</b> <b>Actuals</b>	<b>2022</b> <b>Actuals</b>
Operating Expenses	458,112	425,904	422,372	491,377
Equity Spending Op Exp	8,746	9,669	12,245	13,824
<b>% of Equity Spending vs Op Exp</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.9%</b>	<b>2.8%</b>
Levy Op Exp Spending	1,922	3,958	5,008	3,234
<b>% of Tax Levy Spending</b>	<b>22.0%</b>	<b>40.9%</b>	<b>40.9%</b>	<b>23.4%</b>

Note: The increase of % of Tax Levy Spending from 2019 to 2020 was mainly due to the new Opportunity Youth Initiative (OYI) spending in 2020. The decrease of % of Tax Levy Spending from 2021 to 2022 was mainly due to delay of OYI spending in 2022.

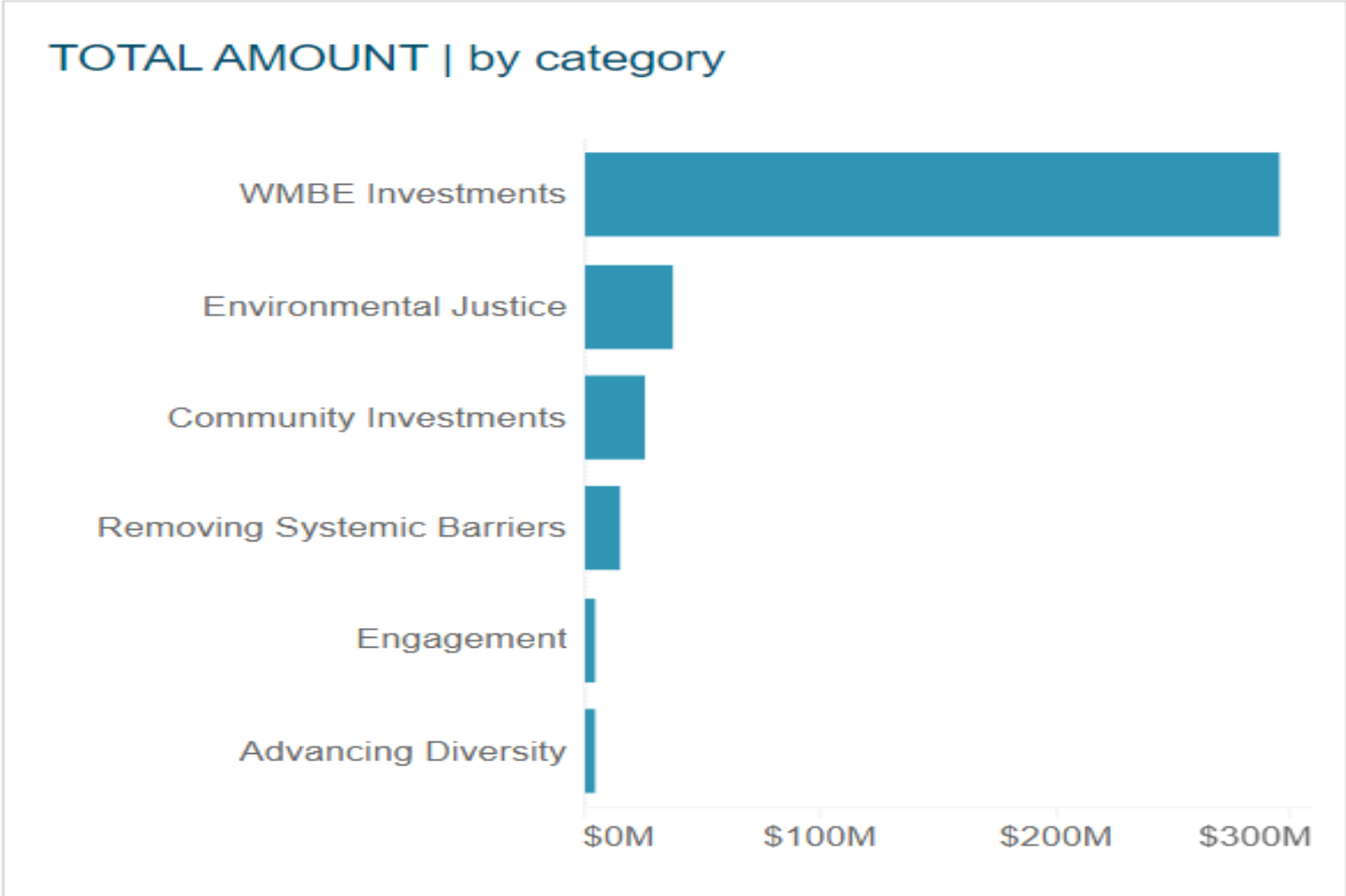


# Equity Spending Summary

(w/o Capital & WMBE)



# Equity Spending Summary



# Next Steps

Embed ESAP into the Port's Equity in Budgeting Playbook

Brief Commission and secure their support to pilot the program

Share dashboard and narrative about this work internally and externally

# Piloting ESAP

- Based on the actual equity spending items from 2019 to 2022 identify baseline for equity spending and track progress
- New/additional resources will be identified and reviewed as part of the new budget requests
- Continue to separate operating, capital, and non-op spending items
- Continue to separate WMBE spending budget/actual from the totals
- F&B will track all the equity spending budget items

# Piloting ESAP

- The Budget & Equity Committee and OEDI have revised the Equity in Budgeting Playbook to provide divisions and departments with instructions for using an equity lens in their 2024 budget process.
- No reporting on equity spending is required in department budget presentations. Equity spending will be tracked and reported on the division level.
- The divisions will be responsible for identifying and compiling the equity spending in their proposed budgets and reporting it to ELT and Commission as part of their budget presentations. The divisions will also track equity spending during the year and report out annually.

# Equity Spending Pilot

*Included in the 2024 Equity In Budgeting Playbook*

## For Operating Divisions

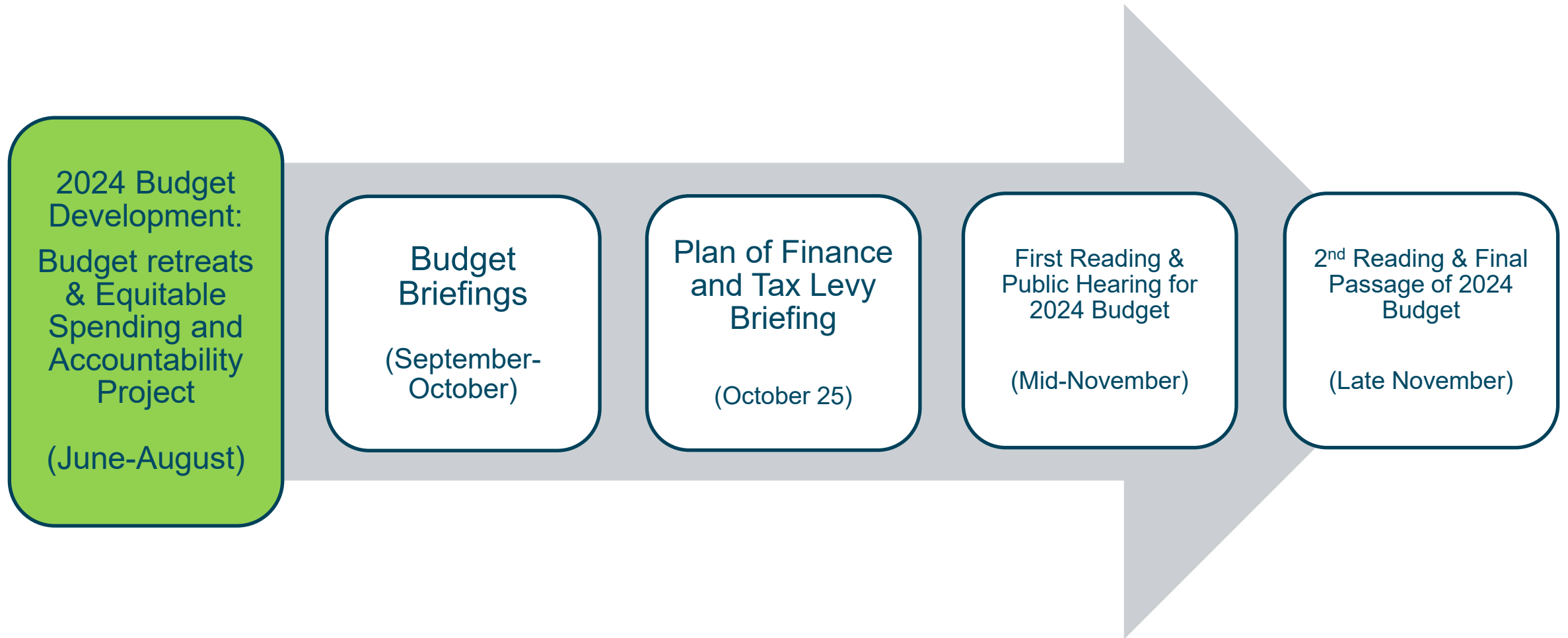
- Step 1- Equity Definition for spending
- Step 2- Category- if your budget item meets one of the 3 elements of the definition above then please select the category that fits your proposed item.
- Step 3 – Answer the following questions related to your 2023 and 2024 budgets:
  1. Did you have difficulty spending your budgeted equity dollars in 2023? And if so why?
  2. How did your division choose to prioritize equity programs with the available budget?
  3. How did you engage with staff and/or community during the budget process?
  4. What new items have you added related to Equity, Diversity, and Inclusion in your 2024 budget (new requests and baseline budget)?

## For Departments

Please answer the following questions.

1. Select your division
2. Which Department(s) are you answering for?
3. How does your proposed budget align with your department's draft annual equity goals?
4. OEDI is offering a comprehensive suite of training and learning opportunities for Port employees. Does your department need additional or specialized training that OEDI is not currently offering? If so, please propose this cost in your budget asks.
5. Has the external training, education, and development for all team members been discussed and taken into consideration in your proposed budget?
6. How did you engage with your department's staff, other Port staff, and/or external stakeholders or communities during the budget process?

# 2024 Budget Process



# Questions and Discussion