Golden, Colorado

PFM Group Consulting LLC Response re: Request for Proposals for City of Golden Racial Equity Plan

Presented by PFM Group Consulting LLC



Golden, Colorado

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I. Cover Letter



City of Golden 1000 10th Street Golden, CO 80401

Attn: Carly Lorentz, Deputy City Manager

1550 Wewatta Street Denver, CO 80202 Phone: 303.467.1114 pfm.com

PFM Group Consulting LLC Response re: Request for Proposals for City of Golden Racial Equity Plan

Dear Carly Lorentz:

PFM Group Consulting LLC ("PFM") is pleased to submit our response to the City of Golden ("City") Request for Proposals to facilitate the development of a Racial Equity Plan.

Our firm and proposed team members are deeply committed to advancing equity and inclusion across public services, programs, policies, and budget decisions. We are energized by the scope put forward by the City, and look forward to teaming with you on this important work. We are fully prepared and qualified to provide the services provided for in the RFP – and excited about this important effort. We hope that the response and enclosed information that follows will help to convey our experience and enthusiasm, and we would welcome the opportunity to further discuss our approach.

PFM certifies that the information and data submitted are true and complete to our best knowledge.

I am authorized to contractually obligate PFM for this proposal and any future negotiations. Danielle Scott will be the Project Manager for the PFM Team. If you have any questions about our response, please do not hesitate to contact Danielle at scottd@pfm.com or 504-930-7690 or me at nadolm@pfm.com or 215-557-1433.

Thank you for your consideration!

Vishael Madol

Sincerely,

Michael Nadol

President, Managing Director

PFM Group Consulting LLC



II. Project Team and Scope of Services



II. Project Team and Scope of Services

Overview

PFM was founded in 1975 on the principle of providing sound independent advice to governmental and non-profit entities. Today, the PFM Group of affiliated companies has more than 600 employees at over 30 locations nationwide, including our office in Denver.

With a focus on local governments across the country, our PFM team appreciates the extraordinary opportunity that comes with the City's decision to examine its own operations in order to advance racial equity: the chance to translate equity policy into results that yield meaningful change for the people of the City of Golden.

We understand the realities of public sector management and community needs in a way that only a firm dedicated to the public and non-profit sectors can. City of Golden residents depend on its departments and elected officials to realize the City's equity and anti-racism vision through targeted data, stronger communication and engagement, and programs and policies that align to equitable policy. In doing so, City leaders can ensure safe and healthy communities, increase mobility and access, broaden livability and belonging, and create a more equitable and sustainable government.

Ultimately, decisions about how local government operates and how equity is integrated are about more than just words and pledges. They are about how local government seeks to shape opportunity and quality of life for all of its residents through thoughtful actions, tangible resource allocation, and real-world policy. We also know that it is essential for leaders to be equipped with facts and expertise to guide their decisions, as well as to be able to benefit from lessons learned by others across the public sector nationally. That's why a project of this kind demands the deep understanding of local government policy, budgeting, and operations that the PFM team can bring to this engagement.

The Racial Equity Plan would be facilitated by PFM Group Consulting LLC through our firm's Management and Budget

PFM's Commitment to Racial Equity

As a firm, PFM has an unequivocal commitment to racial equity. For us, Black Lives Matter is not just an affirmation but a call to action - one we intend to answer. Demonstrated in our internal operations through our Office of Diversity, Equity and Inclusion (ODEI), Diversity, Equity and Inclusion Council, and Significant Interest Groups (SIGs), these entities create policy, drive action, and amplify the diverse voices of our colleagues from across the country. PFM has made a Commitment to Change that expresses solidarity and outlines actions toward racial equity and justice in our communities.

Like Golden, we are dedicated to doing our part to address the undeniable pattern of injustice targeting people of color – not only in the services we provide, but across our teams and our business practices.



Consulting practice. PFM Group Consulting LLC is one of seven affiliates that are indirect, wholly owned subsidiaries of a holding company known as PFM I, LLC. The firm is 100% owned by its Managing Directors, who set the firm's strategic direction, three of whom would be a part of our team for the City of Golden.

PFM's Expertise

The City of Golden's Racial Equity Plan is exactly the kind of project our team seeks to do – a high-impact scope, complex issues, and deliverables that are both data-driven and actionable. Engagements like this one let us dig into the details while helping frame key strategic issues and opportunities to help a local government move forward.

While our work over several decades has encompassed a broad range of public sector budget, policy, and programmatic issues, we also bring specific experience helping cities and other local governments drive equity within their organizations and into their communities.

As just a few examples:

- Our team developed a community-driven plan for **Danville**, **VA** to identify equitable uses of new
 casino revenue by identifying guiding principles, facilitating community engagement, conducting
 equity mapping, and aligning community feedback and best practices to actionable
 recommendations to City leadership.
- We are actively working with nine cities nationally Birmingham, AL, Chula Vista, VA, Lincoln, NE, New Orleans, LA, Peoria, IL, Rochester, NY, Syracuse, NY, Tampa, FL, and West Palm Beach, FL to provide technical assistance within the national City Budgeting for Equity and Recovery initiative of the Bloomberg Philanthropies What Works Cities program. This program is working with 29 cities overall to develop and implement plans to drive financial recovery and equity across city governments.
- We are currently engaged in San Antonio, TX to develop a "Future Ready Plan" dedicated to improving racial and ethnic equity in both education and employment outcomes for youth, two linked domains that are vital to both recovery and mobility.
- We just completed an extensive organizational review that included a goals and visioning process for Harris County, TX (Metro Houston).
- We are completing Equitable Recovery Assessments for the City of Brockton, MA and Syracuse, NY to assess equitable recovery following the economic downturn triggered by the COVID-19 pandemic.
- Our Center for Justice and Safety Finance has recently worked with Dallas County, TX, Ramsey County, MN, and Nashville-Davidson, TN to evaluate the role of criminal justice fees and fines in contributing to jail incarceration rates, and to explore revenue generation alternatives.

We are excited to bring what we have learned from these projects, along with our decades of parallel experience with cities and counties of all sizes, to development of the City of Golden racial equity plan.



In our work on equity, we ground our services in our understanding of public sector budgets and operations. Over just the last three years, our Management and Budget Consulting practice has worked with more than 80 local governments on a variety of engagements, including:

- Operational efficiency studies and organization reviews at both the departmental and enterprisewide level:
- Equity analysis and alignment to budget and operations at the departmental and enterprise-wide level;
- Multi-year financial planning and fiscal recovery projects, all of which require detailed and in-depth understanding of operational and structural issues;
- Workforce management and policies, which involves detailed analysis of the day to day functions of public employees; and
- Public safety and criminal justice reform.

Project Team

The Management and Budget Consulting practice (35 full-time employees) is led by three partners, each of whom came to PFM after successful careers in the public and non-profit sectors: each have all also taught, written, and spoken on public policy or public administration. In MBC, we view ourselves as practitioners, scholars, and students of the public sector – not just consultants. We care deeply about the practice of public administration and public budgeting and recognize from our own experience in senior positions in local government just how important the day-to-day work of local government is. Our experience informs our approach, the work we do, and our expectations for every member of our team.

For the City of Golden, we have assembled a qualified project team made up of equity minded individuals with proven expertise in government operations and equity implementation. The project will be led by Danielle Scott and staffed by a PFM analyst with support from subject matter expert Sheryl Whitney. The full PFM project team along with their expertise, experience, and role on this engagement are described in detail following section.



Danielle Scott (she/her) is a Senior Managing Consultant with PFM's Management and Budget Consulting practice. Danielle joined the firm in 2015 and is a co-leader on MBC's equity strategy. Danielle plays a key role in projects where the firm provides equity, budgetary and financial analysis, reviews municipal operations and develops multi-year financial plans to help municipal governments overcome their fiscal challenges. Specializing in integrating equity, she helps clients develop long-term blueprints for fiscal, economic, and community sustainability.

In 2020, Danielle led an engagement in Danville, Virginia to create an equitable plan for \$140 million in new casino revenue. To do so, she facilitated a community driven process, conducted equity analysis, and identified guiding principles aligned to fiscal best practices in a community driven plan to City



leadership. Danielle is also currently engaged in San Antonio, TX to develop a "Future Ready Plan" dedicated to improving racial and ethnic equity in both education and employment outcomes for youth.

As the practice lead for MBC's growth strategy in Texas, Danielle managed from proposal to project completion PFM's Operations and Organization Review of for Harris County, Texas. In this role she served as day to day project manager for the year-long review of 12 departments, led an experienced team of sub-consultants, and led reviews of the Community Services and Pollution Control Services departments. Danielle continued to work with Harris County during the 2021 budget to identify and develop outcomes-based performance measures and other data-driven key performance indicators for county departments. She supported PFM's multi-year financial plan work in Houston, provided multi-year forecasting for Missouri City, Texas, and reviewed revenue alternatives for criminal justice fines and fee revenue in Dallas County.

Danielle is an active contributor to PFM's diversity, equity, and inclusion (DEI) efforts. She has been a member of the firm's DEI Council since its inception and staffs the firms Office of Diversity Equity and Inclusion (ODEI). In these roles, she led the development and implementation of the firm's employee resource groups Significant Interest Groups (SIGs) and actively contributes to DEI policy, programs and recruiting.

Danielle holds a B.A. in Political Science from Howard University.

Danielle will serve as the overall project manager. As the City's primary point of contact, she will have dedicated capacity to be highly involved and readily available throughout the engagement.



Sheryl Whitney (she/her) is a Partner of Whitney Jennings, a management consulting firm dedicated to helping institutions be more effective and build stronger communities, and a certified MWBE/WMBE firm in the State of Washington. Sheryl and her firm will subcontract to PFM for this engagement.

Prior to starting her own firm, Sheryl served for seven years as Deputy County Executive in King County, WA. In this role she supervised and managed the Departments of Adult and Juvenile Detention, Community and Human Services, Development and Environmental Services, Executive Services, Information

Technology, Natural Resources and Parks, Public Health and Transportation and a workforce totaling 13,000 employees. This position also placed Sheryl in a leadership role for numerous transformative initiatives in King County, including those focused on advancing equity and social justice, sustainable housing solutions, policies to slow the rate of climate change, alternatives to incarceration, the quality of rural area service provision and improved program performance measurement and accountability.

Sheryl has worked as a consultant to the U.S. Department of Housing and Urban Development and played a key role in helping rethink approaches to fair housing so that they become more inclusive and better influence planning and development patterns in communities. She spearheaded outreach to elected and state and local government officials to ensure that the new regulations were levelheaded and feasible without sacrificing aspirations for greater impact.



Sheryl's passions extend beyond effective public administration, fair housing and equitable economic development. She has served as an advocate for child welfare reform and an improved foster care system through her role as a Dependency Court Appointed Special Advocate (CASA) and former employee of the Casey Family Program. Sheryl is an advocate in the Seattle/King County region for supportive housing for people who are homeless and living with behavioral health issues. She is also the current Vice President of the Board of Trustees for Harborview Medical Center, a level one trauma center serving Washington, Oregon, Idaho and Montana.

Sheryl holds a B.A. in International Studies from the Jackson School of the University of Washington, an M.A. in International Economic Development from American University and a certificate in Executive Leadership from Seattle University.

Sheryl will serve as a senior advisor and subject matter expert on the project. Sheryl will be available and involved throughout the project but will have the greatest direct involvement during Phase I: Engagement.



Michael Nadol (he/him) is a Managing Director with PFM's Management and Budget Consulting and President of PFM Group Consulting LLC, specializing in public sector financial sustainability and workforce strategies. He joined the firm in 2000.

Nationally, Mike has played a lead role in long-range financial planning, turnaround consulting, and performance improvement programs for cities, counties, states, and federal agencies – including the development of multi-year financial plans for Baltimore, MD, St. Louis, MO, Pittsburgh, PA, and

Wilmington, DE. He currently serves as a senior advisor with the Bloomberg Philanthropies City Budgeting for Equity & Recovery initiative, and recently co-authored an article (with colleague Matt Stitt) in the April 2021 *Government Finance Review* on "Equitable Recovery in Practice."

In addition, Mike provides strategic, quantitative, and analytical support for collective bargaining and human resources reforms on behalf of many of the nation's largest public employers, including the City of New York, Commonwealth of Pennsylvania, and the New York Metropolitan Transportation Authority (MTA).

Prior to joining PFM in 2000, as Philadelphia's Director of Finance and in previous positions within the City's Office of the Mayor, Mike worked on management and budget initiatives key to the City's turnaround from the brink of bankruptcy in 1992 to its then-record \$206 million surplus in 1999. As Finance Director, Mike was chief financial officer for a multibillion-dollar city-county government. While in the Office of the Mayor, Mike served as Director of Labor Negotiations for 1996 collective bargaining covering over 22,000 municipal employees. As Deputy Water Commissioner, Mike served as chief financial and administrative officer for a \$400 million water, wastewater, and storm water utility with over 2,200 employees.

Mike has served on the adjunct faculty of the University of Pennsylvania's Master of Public Administration program and for two terms as an appointed adviser to the Government Finance Officers



Association (GFOA) Committee on Governmental Budgeting and Fiscal Policy. In 2019 and 2020, he also served *pro bono* as a lead advisor to the City Council of Philadelphia in the development of a major *Poverty Action Plan*.

Mike holds a B.A. in Political Science from Yale University and an M.P.A. from the University of Pennsylvania.

Mike will serve as engagement manager for the project, to help ensure the City receives the full resources required for a successful outcome. Mike will be involved at a high-level throughout the project but will be available at anytime to support the City and project team.



Matt Stitt (he/him) is a Director and national lead for equitable recovery and strategic financial initiatives in PFM's Management and Budget Consulting team. He advises public sector leaders on structural changes, budget reforms and financial planning – with a particular focus on applying an equity lens to solving governing challenges – especially in relation to the financial and economic crises caused by COVID-19. Matt joined the firm in 2020, and is currently leading PFM's multi-city engagement with the Bloomberg Philanthropies City Budgeting for Equity & Recovery initiative recently co-

authored an article (with colleague Michael Nadol) in the April 2021 *Government Finance Review* on "Equitable Recovery in Practice."

Prior to joining PFM in 2020, Matt served as the chief financial officer for the City Council of Philadelphia since 2016, leading the annual review of the City's multi-billion dollar operating and capital budgets and strategic plans, as well as advising on all fiscal matters related to proposed legislation and key initiatives. As the finance lead on City Council's senior staff, Matt was responsible for advising on the annual adoption of Philadelphia's operating and capital budgets, evaluating major strategic initiatives, managing the City Council Finance and Budget Team, and acting as a liaison for certain, high-profile, State and Federal budget matters.

Matt also served as the Council appointee on a number of boards and committees, including the City's Board of Pensions and Retirement, COVID-19 Recovery Steering Committee and the Philadelphia Accelerator Fund promoting innovative funding approaches for affordable housing and community development.

Matt instructs at the Fels Institute of Government at the University of Pennsylvania as an adjunct lecturer. He also serves as a board member on the Haverford College Board of Managers as a Young Alumni Associate, as well as the Greater Philadelphia YMCA Board of Directors.

Mr. Stitt holds a B.A from Haverford College, Executive M.B.A. from Temple University, and Executive M.P.A from the Fels Institute of Government at the University of Pennsylvania.

Matt will serve as a subject matter expert on the project.





David Eichenthal (he/him) is a Managing Director in PFM's Management and Budget Consulting practice and founding Director of PFM's Center for Justice & Safety Finance. He joined the firm in 2011. David also served as the Executive Director of the National Resource Network, a federal initiative that has provided cross-cutting assistance to 60 economically challenged cities across the nation.

Prior to joining PFM, David served in a series of senior positions in local government over the course of fifteen years in both Chattanooga and New York City – during which he led a multi-year oversight investigation of the New

York City Police Department's disciplinary process: the investigation included a successful lawsuit by the Public Advocate to obtain access to detailed police disciplinary records and resulted in a significant increase in disciplinary rates.

David has also been a Fellow at the Center for Research in Crime and Justice at New York University School of Law. He co-authored *The Art of the Watchdog*, described by The New York Times as "required reading for any government executive." He has lectured and taught university-level courses on criminal justice issues and public safety. He has also authored and co-authored articles on criminal justice and budget issues in Governing, Justice Quarterly, The Prison Journal, and Government Finance Review.

David received his J.D. at New York University School of Law, earned a BA degree from the University of Chicago in Public Policy Studies, cum laude, and was a Harry S. Truman Scholar.

David will serve as a subject matter expert on the project.

Project Approach

In the wake of a national awakening to systemic racism, municipalities across the country are taking on the daunting task to rethink their operations and take proactive steps to create a culture of anti-racism in their policies and communities. Like Golden, cities and counties have begun the work to dismantle these systems through legislative actions, working groups, and continued learning and listening. While these actions are essential to signaling anti-racist intentions, they only scratch the surface of addressing complex structural inequities that permeate everyday government.

Historically, systemic racism has defined the current conditions of poverty, housing and unemployment that are overwhelmingly concentrated in Black and Latinx communities, along with varying challenges for other communities of color. Changing these government systems will require a thoughtful approach, expert advice, and an actionable roadmap for leadership and staff.

With a population just over 20,000 and less than 15 percent of the population identifying as racially or ethnically diverse, Golden will need a customized approach to embed equity, inclusion and belonging across city functions, services, programs, policies and budgetary decisions. That approach should start with an analysis of existing disparities, a review of current systems, and creation of prioritized focus areas to organize actions for staff and elected officials in the short, medium and long-term.

We know that any lasting structural change starts with individual decisions aligned to a common vision. To realize that vision of racial equity, we propose a cross-cutting approach that is data centered and



actionable based on where Golden is today and where they want to be. Our proposed plan will offer key insights about the strengths, weaknesses, opportunities and threats to implement racial equity. It will invite and empower the voices and experiences of city staff and the community to identify issues and contribute to solutions. Ultimately, our proposed work will serve as a guiding document for future action. The Racial Equity Plan will offer prioritized focus areas and discuss what racial equity could look like in practice for the City of Golden.

To position the City of Golden to integrate racial equity, we propose an approach to the essential elements identified in the RFP but would look forward to developing a work plan with the City to ensure our approach is responsive to the City's needs. Pending those collaborative efforts, the following highlights our initial thinking about our specific scope and timeline.

Phase I: Engagement

During this phase, the team will focus on fact gathering on the current condition and critical needs to advance the City's commitment to racial equity in government. To do so, the team will engage with elected officials and city staff at varying levels to understand existing systems and practices. Engage with stakeholders in the community including residents, existing partner organizations, and other governmental entities in the region to provide a full perspective on what the City is doing well where there may be opportunities for improvement.

Throughout the engagement, and for this phase in particular, we will create meeting environments where participants can voice their concerns, speak candidly, and provide critical feedback. To do so, PFM will set the tone of confidentiality at the beginning of each session and inform meeting participants of how their feedback may be integrated into the work anonymously.

At the end of this phase we will identify overarching themes across different departments and stakeholders, enabling us to highlight opportunities for alignment and gaps in resources and understanding. Where possible, we will identify opportunities for the city government to look outside itself and work with external partners where appropriate to address racial equity issues needs and concerns voiced by the community.

Phase II: Analysis

During the analysis phase, the PFM team will identify the City's current state of equity processes through review of key city documents and data and findings from Phase I. The team will leverage existing data to conduct equity mapping to highlight existing disparities in the City. This phase will also include collecting city data and documents, review of publicly available data and gathering of comparable data from benchmark jurisdictions and draw upon our own subject matter expertise and national standards to identify best practices.

We will constantly look to identify how the City can better follow best practices and compare current practices to comparable benchmark jurisdictions. We know that no two local governments are exactly the same, but we always use benchmarking to provide context to current practice: benchmarking does not always answer a question, but it usually helps to identify better questions to ask. Our ability to successfully work with local governments at benchmarking is built on our strong relationships with



potential benchmark cities nationally. We are able to enlist their help because in many cases they are current or former clients of our practice or of our asset management and financial advisory affiliates. We also regularly look to national standards and best practices (and sometimes promising practices) to identify where the City government is doing well and where it can do better.

The analysis will also focus on any other questions raised during the initial Phase I interview and roundtable process. At every turn, the goal will be identifying the City's current processes and capabilities and gauging those against the equity ideals identified in discussions with City leadership, staff, residents, and key stakeholders.

Phase III: Alignment

During this phase, the PFM Team will compile findings and analysis from Phase I & II into a comprehensive presentation that outlines an actionable Racial Equity framework for City leadership. The Racial Equity Plan will organize the City's needs into focus areas that encompasses department specific and citywide recommendations. The Racial Equity Plan will also prioritize the actions in the focus area by need, timing, and where possible by cost range.

In each instance, recommendations will be put forward with an understanding of context. No City government operates in a vacuum, and the Racial Equity Plan will recognize risks involved in implementation of recommended improvements, as well as risks associated with failure to act. The final Racial Equity Plan will chart a path forward from the City's present situation, with clear timelines and interim steps identified for the City's leadership and staff in moving the organization forward toward its ultimate equitable goals and ideals.

The PFM team anticipates a project duration of approximately eight months, with the three phases of approximately equal length.

May 2021

- Project Kick-off
- Initial interviews with City leadership
- Finalize Project Management Plan & Deliverables
- Identify Stakeholder Advisory Committee members

June

- First Stakeholder Advisory Committee Meeting
- Identify attendees and begin scheduling interviews with City Leaders, Key Staff & Stakeholders in the Community and Region
- Request data and documents



July

- Review data and documents
- Conduct In-Depth Interviews with City Leaders, Key Staff & Stakeholders in the Community and Region

August

- Complete In-Depth Interviews with City Leaders, Key Staff & Stakeholders in the Community and Region
- Begin benchmark & best practice data collection
- Conduct equity mapping

September

- Complete data and document collection
- Review benchmark & best practice data
- Develop high-level findings from Phase I
- Second Stakeholder Advisory Committee Meeting

October

- Complete benchmark & best practice data collection
- Review outline of preliminary findings with City leadership
- Begin draft of final Plan

November

- Continue to draft and finalize Plan
- Peer review of Plan

December

- Review final plan with City leadership
- Finalize Plan
- Deliver final Plan

Following our work on the Racial Equity Plan, the PFM team will remain available to provide follow-up support to the City of Golden, helping to implement the recommendations contained in the Plan or advance other related priorities. We welcome the opportunity to provide ongoing support and assistance as the City moves forward from the planning phase to implementation and turn recommendations into reality. PFM prides itself on building client capacity and ensuring that its work translates to tangible results for our clients.



Deliverables

Through an equity lens, subject to refinement in collaboration with the City and its stakeholders, our proposed deliverables could include:

- Review of the City's organizational goals and mission;
- Assessment of the City's organizational structure and management systems, examining individual departments and across the system as a whole with a focus on identifying gaps and new opportunities for improved cooperation and coordination;
- Highlight existing disparities through equity mapping;
- Examination of the City's current metrics and comparison to Key Performance Indicators from benchmark entities;
- Review of the City's engagement strategy, emphasizing coordination with existing community and regional partners and transparency for stakeholders;
- Evaluation of the City's operational efficiency and of where based on benchmark data and best practices – the need for improvements and changes are the greatest;
- Assessment of equity in decision making and departmental and citywide operations;
- Determine a budgeting for equity framework to be intentional about equitable investment decisions – both by finding ways to incorporate sound equity criteria into the general budget and capital planning processes, and by ensuring sufficient funding to bring these plans for equity forward;
- Identification of adherence to national best practices examining differences in approach, resources, activities, and outcomes;
- Analysis of the sufficiency and performance of the City's key strategic priorities; and
- Prioritized organizational recommendations, operational recommendations, and policy recommendations to drive improvement, including the rationale and potential fiscal impact for recommendations, proposed timing, and phasing of implementation.

For Golden, our goal is to develop customized deliverables that are actionable blueprints for change. We produce professional reports for almost all of our engagements, but we also know that they are only valuable insofar as they are tailored to the client and can be used to spark debate and discussion and, most importantly, to drive toward measurable results.



III. Project Qualifications



III. Project Qualifications

Project Qualifications

Over many years, we have worked with governments across the nation that share Golden's desire to address equity and quality of life issues in their communities. For each of the current or prior projects referenced in the earlier expertise section of this proposal, we have sought to provide a fresh perspective, attentive project management, and high-quality deliverables for our clients. As demonstrated by the background of our proposed project team, PFM also brings a deep appreciation of government service. We are excited to draw on what we have learned from these projects, along with our decades of parallel experience with cities and counties of all sizes, to support the City of Golden.

Case Studies

The following representative case studies of PFM's prior work highlight our experience providing consulting services related to equity, budget, and operations to local governments across the nation. Each of these projects were completed on schedule and provided our clients with customized insights to their toughest challenges.

City of Danville, Virginia

In 2020, Danville, Virginia – a City of approximately 40,000 – engaged PFM to create an equitable plan for casino revenue. After voters approved development of a resort and casino in town, Danville stood to receive a total of approximately \$140 million in new revenue through 2026. The city engaged PFM to identify community-driven, equitable uses of the new revenue – from guiding principles to community engagement to actionable recommendations – that can be pursued in city council. PFM facilitated a community driven process that included a resident advisory committee, three public town halls and a community-wide survey for residents of Danville and stakeholders in the region. PFM then compiled community feedback, conducted equity mapping, and identified guiding principles aligned to fiscal best practices in a community driven plan to City leadership. The final Investing in Danville Plan prioritized 27 investment ideas each with associated fiscal impacts, suggested timing of investment, and alignment to PFM's equity and fiscal considerations.

Danielle Scott, Project Manager on this project, led PFM's engagement with the City of Danville.

Project Contact:

Ken Larking
City Manager, City of Danville, VA
(434) 799-5100
klarking@danvilleva.gov



Bloomberg Philanthropies What Works Cities - City Budgeting for Equity and Recovery Initiative

PFM is currently engaged as one of three technical assistance providers for the national City Budgeting for Equity and Recovery (CBER) initiative of the Bloomberg Philanthropies What Works Cities program. The other two providers are the Government Performance Lab at Harvard University's Kennedy School and the Government Finance Officers Association (GFOA), and the overall effort will be coordinated by Results for America.

The CBER program works with 29 cities across the U.S. to develop and implement plans to drive financial recovery and ensure that their budget crises do not disproportionately harm low-income residents and communities of color. The full group of participating cities includes: Akron (OH), Austin (TX), Birmingham (AL), Chattanooga (TN), Chula Vista (CA), Columbia (SC), Columbus (OH), Denver (CO), Durham (NC), Fort Collins (CO), Knoxville (TN), Lincoln (NE), Madison (WI), New Orleans (LA), Oakland (CA), Peoria (IL), Philadelphia (PA), Providence (RI), Pueblo (CO), Rochester (NY), Salt Lake City (UT), Savannah (GA), Seattle (WA), Springfield (IL), Syracuse (NY), Tacoma (WA), Tampa (FL), Toledo (OH), and West Palm Beach (FL).

PFM is assigned a cohort of nine (9)cities to support that includes: Birmingham (AL), Chula Vista (CA), Lincoln (NE), New Orleans (LA), Peoria (IL), Rochester (NY), Syracuse (NY), Tampa (FL), and West Palm Beach (FL) -- each focusing on projects around strategic capital investment (e.g., developing tools for considering equity with project prioritization and/or creating new funding streams for equity-based investments).

Matt Stitt, Subject Matter Expert on this project, leads this assignment, and Michael Nadol, proposed Engagement Manager for Golden, serves as a senior advisor.

Project Contact:

Dr. Anjali Chainani-Jha
Senior Advisor, Results for America
484.985.1190
anjali@results4america.org

Harris County, Texas

In 2019, Harris County, Texas -- the nation's third largest county -- engaged PFM's Management and Budget Consulting practice to conduct two comprehensive reviews: one of countywide operations and the second of its criminal justice system. The year-long operational review provided Commissioners Court with detailed insights on 12 county departments' structure, programs and operations culminating in two reports that detailed findings and recommendations for each of the departments included in the study. The eighteen-month criminal justice review is designed to provide an overview of the organization and operations of County departments and offices that are a part of the criminal justice system (e.g. Sheriff, District Attorney, courts), the processes and performance of those departments and a review of how the system works.



Harris County Operational and Organizational Review

The Operational and Organizational Review's scope focused on developing department-specific reports for some of the largest County departments reporting to Commissioners Court including: Budget Management (including a separate report for the Human Resources and Risk Management Division), Community Services, Domestic Relations, Engineering, Homeland Security and Emergency Management, Intergovernmental and Global Affairs (IGA), Pollution Control Services, Public Health, and Universal Services. For most departments, the PFM team produced two reports – a preliminary report detailing our findings and a summary report detailing our recommendations.

For each department reviewed, the PFM team conducted detailed research on current operations and sought information from five benchmark jurisdictions identified at the outset of the process in collaboration with an advisory committee made up of representatives of each of the members of the Commissioners Court. From the five benchmark counties, PFM collected data and other information to put our findings related to Harris County into context. At the same time, the PFM team compared Harris County departmental operations to best or promising practices in other county-level jurisdictions.

In addition to the department specific work, the PFM team facilitated a countywide goals and visioning process. The process engaged members of the Commissioners Court through their staff to develop a clear and outcomes-based vision statement and a set of goals to drive priorities and encourage enterprise-wide coordination and collaboration. The process produced a single countywide vision statement and six goal statements focused on: Justice and Safety, Economic Opportunity, Housing, Public Health, Transportation and Flooding. These statements were adopted by Commissioners Court in 2020 and drove the Count's 2021 budget process.

Ultimately, the PFM team provided a final report that summarized the highest impact recommendations from the individual department reports and identified cross-cutting themes related to challenges and opportunities that affect multiple departments. The final report went beyond discussion of individual departments to identify organization-wide gaps and overlaps in service delivery and opportunities to collaborate among County departments and, where feasible, with other entities. As with the preliminary and summary reports, the final report outlined a path forward from the County's current state, with clear timelines and interim steps identified for the County's leadership and staff in moving the organization forward toward its ultimate performance goals and ideals. The \$1.8 million project was completed in October 2020; subsequently, the County added a review of the Toll Road Authority, which is ongoing.

Danielle Scott, Project Manager on this project, served as the day to day project manager for Operational Review and led the analysis for the Community Services and Pollution Control Services Departments. Sheryl Whitney, Subject Matter Expert on this project, served as Subject Matter Expert to the Public Health Department and as a Senior Advisor on issues related to equity and budgeting. David Eichenthal, Subject Matter Expert on this project, served as the overall engagement manager and led the goals and visioning process for the County with support from both Danielle and Sheryl.



Harris County Criminal Justice Review

The Criminal Justice review is designed to provide an overview of the organization and operations of County departments and offices that are a part of the system (e.g. Sheriff, District Attorney, courts), the processes and performance of those departments and a review of how the system works. The review will result in a series of recommendations for enhancing the efficiency, transparency, and accountability of the County's criminal justice system to promote just outcomes and safer communities.

Recommendations shall include ways to adhere to best practices in criminal case processing times and in attorney caseloads; establish fair and equitable processes from initial interactions with law enforcement to re-entry; eliminate practices that result in racial disparities in the criminal justice system; and safely reduce unnecessary criminal justice system involvement and incarceration. The \$2.8 million project is expected to be completed by May 2021.

David Eichenthal, Subject Matter Expert on this project, served as the overall engagement manager.

Project Contact:

Leslie Wilks-Garcia

First Assistant County Auditor, Harris County, TX

832.927.4811

Leslie.WilksGarcia@aud.hctx.net

Equitable Recovery Pilot Assessments

In August 2020, PFM Group Consulting LLC joined the National Resource Network in a pilot program for the City of Brockton, MA and Syracuse, NY to assess equitable recovery following the economic downturn triggered by the COVID-19 pandemic. The Equitable Recovery Assessment approach recognizes that equity is not a fixed destination or singular dimension. It is directional and dependent on a community's starting point, defined by the priorities and self-determination of the community, tied to specific needs and opportunities. The equitable recovery program for cities is built on six key principles:

- Equitable recovery places black and brown communities, seniors, small businesses and children
 at the center. It begins with respect, works to gain trust, and builds on community priorities and
 strengths. Many of these communities have been hardest hit often deemed essential, yet
 economically vulnerable and relegated.
- Equitable recovery is built on cross-sector solutions. These crises impact multiple sectors from housing and food security, to employment and local businesses, to mental health and city budgets. The challenges compound each other, and effective solutions are integrated.
- Equitable recovery builds on successful emergency response activities and any equitable pre-COVID practices, and these successes are integrated into standard practice moving forward.
- Equitable recovery addresses acute fiscal challenges in communities, as recovery requires solvency. Effective financial planning invests in equitable outcomes.



- Equitable recovery leverages and aligns funding so that each dollar has multiple impacts supporting food secure households better connecting through improved broadband access in healthy homes, more accessible to good schools and jobs, in thriving communities.
- Equitable recovery addresses pre-existing inequities that led African American, Latinx and other groups to be more vulnerable to the negative health and economic impacts of COVID-19.
 Equitable recovery does more than just return to the pre-COVID baseline.

Matt Stitt, Subject Matter Expert on this project, led PFM's involvement in the equitable recovery assessments engagement.

Project Contact:

Timothy Rudd
Budget Director, City of Syracuse, NY
315.448.8252
TRudd@syrgov.net

Special Knowledge and Experience

In addition to our leadership on issues related to equity in government, PFM is also home to specialized programs like the National Resource Network and the Center for Justice and Safety Finance – and we are now launching a Center for Budget Equity and Innovation. Each demonstrates our special knowledge and experience with important efforts at the forefront of government administration and public policy. More information on each of these programs is detailed below.

The National Resource Network

Since 2013, PFM has been part of the National Resource Network, an Obama White House initiative supporting the nation's most economically challenged cities with cross-cutting technical assistance that stabilizes finances, improves service delivery, and upgrades infrastructure. The Network, beginning with \$10 million in federal funding and strengthened by a \$4 million grant from Houston-based Arnold Ventures, has provided assistance to 60 economically challenged cities nationally (https://www.arnoldventures.org/stories/one-of-the-most-miserable-cities-in-the-u-s-mounts-a-comeback).

The Network recognizes that efforts to advance education, economic prosperity, equity, fiscal stability, neighborhood revitalization and safety and justice are all interconnected and can best be advanced by developing and implementing comprehensive blueprints for reform. NRN empowers local government leaders from economically challenged communities to take on their toughest problems. We partner with cities to provide cross cutting technical assistance, strategic planning and implementation support.

More information on the national resource network can be accessed at national resource network.org.



Center for Justice and Safety Finance

The Center for Justice and Safety Finance ("CJSF") combines expertise in public budgeting, law enforcement and criminal justice policy, and builds on PFM's successful leadership with New Orleans Mayor Landrieu's administration in helping to substantially reduce the Parish's local jail population. CJSF's work is already contributing to criminal justice reform in populous counties across the United States. In Dallas County (Texas), Davidson County (Tennessee), and Ramsey County (Minnesota), PFM conducted a series of projects with county governments seeking to reduce or eliminate reliance on fees and fines from the criminal justice system as a source of revenue: the work on criminal justice fines and fees was funded through a \$1.2 million grant from Arnold Ventures and includes a research partnership with the National Association of Counties, the University of Chicago Center for Municipal Finance, and the University of Washington.

In October 2020, PFM CJSF published an article in Government Finance Review on, "The Debate Over Defunding the Police", which discusses funding for police agencies and alternative structures for safety and justice services in their communities. A copy of the article is attached in Appendix A.

Center for Budget Equity and Innovation

With a growing portfolio of equity specific projects, PFM is now launching a Center for Budget Equity and Innovation (CBEI). Co-led by proposed project manager Danielle Scott, the CBEI will expand PFM's existing effort to support our government clients with advancing equity in their procedures and processes, operations, budget and finances, and communities. Through this lens, the PFM team is going beyond past and current project work to share our expertise and lessons learned in the space. In an upcoming article in the April issue of GFOA's *Government Finance Review*, proposed project team members and CBEI Co-leads Matt Stitt and Michael Nadol, will publish an article about Equitable Recovery in Practice. Upon release later this month, the article can be accessed at https://www.gfoa.org/gfr.



IV. Fee Proposal



IV. Fee Proposal

Racial Equity Plan

PFM's pricing, which is all-inclusive of labor, insurances, incidentals and travel, not to exceed, is: \$50,000.00

The estimated number of months and weeks is:

8 months/0 weeks

Proposed Project Budget by Phase:

Total Project Cost	\$50,000.00
Phase III: Alignment	\$15,000.00
Phase II: Analysis	\$15,000.00
Phase I: Engagement	\$20,000.00



V. Disclosure Statement



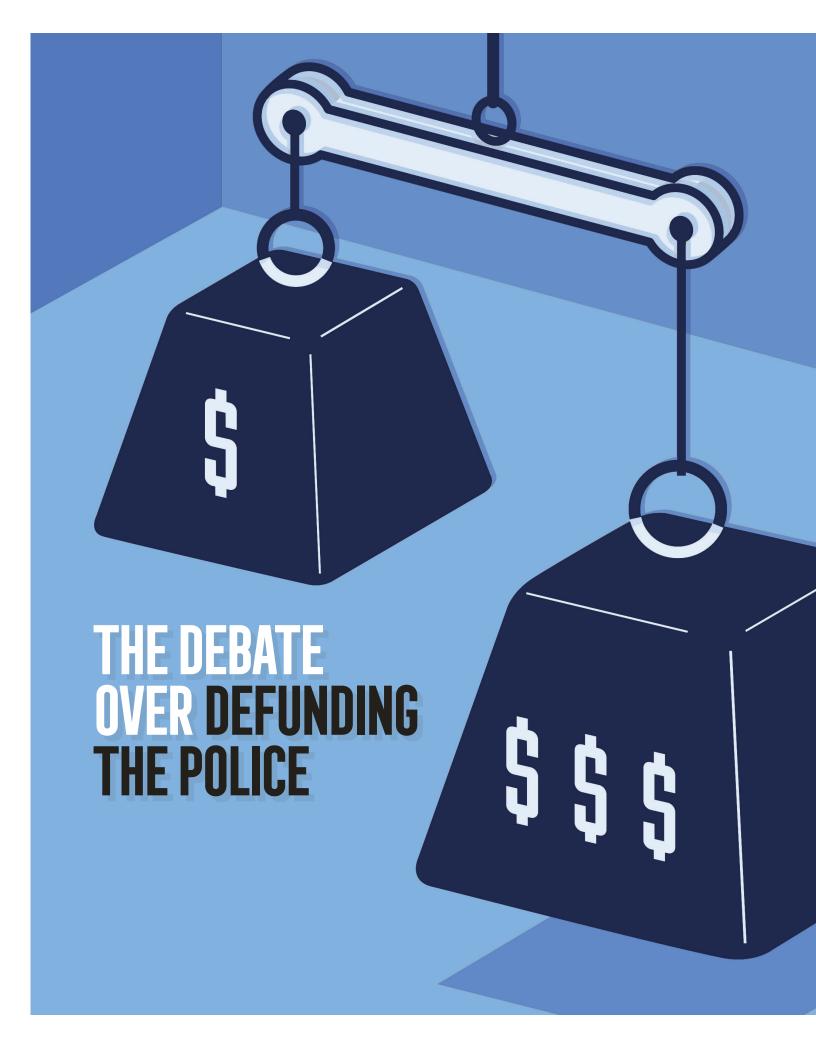
DISCLOSURE STATEMENT

Vendor must disclose any possible conflict of interest with the City of Golden including, but not limited to, any relationship with any City of Golden elected official or employee. Your response must disclose if a known relationship exists between any principal of your firm and any City of Golden elected official or employee. If, to your knowledge, no relationship exists, this should also be stated in your response. Failure to disclose such a relationship may result in cancellation of a contract as a result of your response. This form must be completed and returned in order for your proposal to be eligible for consideration.

NO K	NOWN RELATIONSHIPS EXIST	X
RELA	TIONSHIP EXISTS (Please explain rela	tionship)
I CER	RTIFY THAT:	
 I, as an officer of this organization, or per the attached letter of authorization am duly authorized to certify the information provided herein are accurate a true as of the date; and 		
 My organization shall comply with all State and Federal Equal Opportunity and Non- Discrimination requirements and conditions of employments. 		
Michael	Nadol	Managing Director
Printed or Typed Name		Title
	nature	
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VI. Appendix A



A solid majority of Americans oppose abolishing police departments, but there are real differences in public opinion regarding the reallocation of resources.

> n response to the police killing of George Floyd, protestors across the nation have rallied to demands for local governments to "defund the police." If the purpose of a slogan is to call attention to an idea, then the "defund the police" movement has been a remarkable success: The call has led local governments to reexamine funding for police agencies and alternative structures for safety and justice services in their communities. This outcome tracks with public sentiment: in a June 2020 survey, nearly three-quarters of Americans said police violence against the public was a problem.1

If the purpose of the slogan is to win majority support for a specific policy response or series of policy responses, however, it has been less effective and potentially counterproductive. The same survey found that just 15 percent of respondents support abolishing police departments, and fewer than half support reducing funding for police departments and reallocating those funds to other programmatic responses that impact crime and social challenges.2

While a solid majority of Americans oppose abolishing police departments, polling does reveal real differences in response to the question of reallocation of resources. Though less than a majority of Americans support funding reallocation, nearly four out of five Democrats support reducing police funding and shifting money to social programs, compared to just five percent of Republicans. As a result, in heavily Democratic local jurisdictions, it is not surprising to see much greater support for changes in funding. For instance, 53 percent of Seattle residents support defunding the Seattle Police Department by half, and 36 percent strongly support such a cut.3

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These changes and differences in public opinion have important implications for local governments and those who lead and manage their finances. The reality is that "defund the police" means different things to different people. Los Angeles Mayor Eric Garcetti recently said, "You ask people what does defunding the police mean—you ask three people, you'll get three different opinions..."4 But for budget officials, it clearly means that there is a new debate about just how to fund core functions of local government designed to support public safety and justice. It is a debate in which budget officials need to actively engage.

Decades of Growth in the Number and Funding of Local Police

Before engaging in the current debate it is helpful to start with some history.

Stemming from the "tough on crime" response in the late 1980s and early 1990s, governments across the nation spent increasing sums on criminal justice and police. For local governments, sworn police officers increased from approximately 375,000 in 1992 to nearly 470,000 in 2016. This growth roughly tracks population change; however, the increase in staffing continued even as crime declined significantly from the mid-1990s to present.⁵

As a result, police departments are frequently the largest—or one of the largest—departments in U.S. cities. In good fiscal times, the size of the police force grew with the rest of government. In bad times, police departments were frequently treated as sacred cows. Even as other parts of city government were suffering cuts, police would frequently be the last on the list—if they were on the list at all.

For instance, our work in Memphis, Tennessee in the immediate aftermath of the Great Recession found that the city had increased its police department personnel by 11.8 percent over a five-year period but decreased its non-public safety employees by 17.4 percent during the same period. This resulted in the city government essentially becoming a public safety department that also provided a few other services.

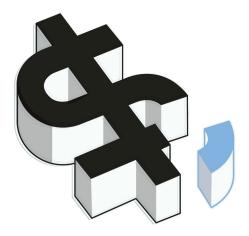
The case for holding police departments out of reductions in force is based more on politics than data. Threatened budget cuts to the police department almost always prompt cries about the likelihood of increased crime. Mayors and city councils are confronted with a simple choice: Would you like to cut non-public safety services, or would you like to risk an increase in crime? As a result, in the years after the Great Recession, the number of local government police officers increased by nearly 3 percent, while non-police employees in local government decreased by more than 5 percent.6

When local governments have made reductions to police department staffing, it has frequently taken the form of reductions in civilian employment. This generally resulted in the worst possible outcome for many local governments, as sworn officers were simply assigned to perform duties previously performed by lower-cost civilians. For those police departments, this meant that fewer officers were available for primary patrol, and the cost of performing non-sworn officer functions increased.

In reality, the links between the number of police officers and crime rate reduction are, at best, elusive. Different studies have found different relationships, and data suggest variation by city. Other approaches related to crime prevention, prosecution, and punishment may have as much, if not more, of an impact on crime reduction and often come at a lower cost than sworn police officers.

In recent years, some cities effectively used increases in police department budgets and personnel to drive down crime, while others drove down crime without nearly the same amount of personnel or monetary resources.

Franklin E. Zimring meticulously detailed New York City's experiences in reducing crime in his book *The City That Became Safe*. Zimring's analysis found that policing strategies played a role in the city's crime reduction but were not responsible alone for New York's unrivaled decrease in crime.



THE REALITY IS THAT "DEFUND THE POLICE" MEANS DIFFERENT THINGS TO DIFFERENT PEOPLE.

Similarly, when we worked with the City of Memphis, we found that, from 2006 to 2011, among cities of 500,000 or more residents with the greatest violent crime reductions, Memphis had the largest percentage increase in sworn officers (nearly 30 percent), but the lowest percentage change in violent crime rate.

Another complicating factor is that the failure to reduce the size of a police force when crime goes down allows for more proactive policing. This could be a good thing—if deployment strategies and training enable officers to focus on problem solving. But the combination of more officers and less crime can also lead to strategies that rely on greater "zero tolerance" policing—more traffic stops, more enforcement of low-level non-violent offenses—that does little to increase safety and raises real issues related to justice.



Finally, there is no one accepted formula to determine the "right" size of a police department. When local government finance professionals and elected officials are annually asked by citizens, reporters, and employees, "what is the right size police force for our community to reduce crime?" there is no convenient metric to point to in order to provide an easy and digestible answer.

Instead, the short answer to this important question is "it depends." We frequently see—and use—oft-cited statistics for comparison, but each has meaningful limitations that make it more informative than dispositive. For example:

Sworn officer per capita analysis: A useful analysis for drawing comparisons to other jurisdictions with readily available data from the Federal Bureau of Investigations on most jurisdictions. This analysis has its merits, but it has significant limitations due to issues related to significant changes to daytime and evening populations among jurisdictions.

Calls for service analysis:

An important analysis to understand workload and drivers in a given jurisdiction, but there can be important differences between jurisdictions' response policies. For instance, does a one department send a sworn officer to all traffic incidents, whereas another department only sends a sworn officer to traffic incidents with injuries (or sends a civilian in lieu of an officer)?

Moreover, both approaches are limited by department differences in deployment practices. For instance, a police department that engages in community policing may have more officers due to the personnel-intensive nature of proactive policing, but a lower calls-for-service figure. Similarly, a police department operating with a policy of two officers per patrol car will have a very different per capita result and calls for service result than a police department with a policy of one officer per patrol car.

People walk down 16th street after "Defund The Police" was painted on the street near the White House on June 8, 2020 in Washington, DC.



THE SACRED COW

Police departments are often protected from budget cuts or reductions in force. In the immediate aftermath of the Great Recession, Memphis increased its police department personnel by 11.8% over a five-year period but decreased its non-public safety employees by 17.4% during the same period.



With all of this history and context, what does the "defund the police" movement really mean for local government budgets? By our count, there are at least five possibilities for how local governments could approach a debate over defunding the police.

Abolition. Few people are arguing for abolition of the police function and all associated funding. But some people are. Not every city or town in the United States has a police department. A number of smaller places have eliminated police departments because they can no longer afford to pay for them. Often this is driven just by the cost of personnel and supplies. In other instances, elimination of the police department happened because of the cost of lawsuits, insurance, or both that were due to incidents of police abuse or misconduct.

What happens when a department is abolished? In the case of smaller places, it is easier to envision at least two different scenarios. In some states, the likely answer is that the state police would assume full patrol services, like they did in Pennsylvania. One could also envision another alternative. While most parts of the United States have some form of professional police service, that is not the case for other public safety functions. Allvolunteer operations of fire and emergency response departments serve nearly two-thirds of American communitiesbut cover just 17 percent of the total U.S. population.9 Could such an all-volunteer approach work for policing? There is little precedent, and there would likely be significant challenges due to state and local laws and regulatory issues to even

begin exploring the idea; however, the option exists at the extreme of one end of the policy continuum. Moreover, it is hard to see how either state police response or a volunteer response would work in larger jurisdictions.

Reorganization. For some, the call to defund the police has really meant a call to fundamentally reorganize departments responsible for policing. Reorganization could take at least three forms—and likely more—that already exist across the United States.

 Consolidation or regionalization. Some cities that have eliminated police departments have turned the function over to a county police department really a reorganization of one department under the auspices of a new department. The most notable example is Camden, New Jersey. In 2012, the city disbanded its police department. At the same time, Camden County (the surrounding county, which is a separate governmental unit from the city) created its own police force, which hired some of the former city officers at significantly lower salaries. The move was framed as a budget necessity: By separating and rehiring officers as county employees, the city saved upwards of \$90,000 per sworn officer. The county force—one that all other county municipalities could elect to use instead of providing their own police services—serves only one jurisdiction, the City of Camden. To date, reviews have been mixed. On one hand, crime rates have decreased in a city frequently cited as one of the most dangerous in the nation. On the other hand, the high

number of county police in Camden led to increases in arrests and summonses for minor violations. While the Camden County Police Department adopted different, more community-oriented strategies than the former Camden City Police, that change—and the city's budgetary savings—were the principal effect of eliminating the city police department.

• Department of Public Safety. In cities like Cleveland, Ohio, and Providence, Rhode Island, a Department of Public Safety houses both police services and fire/EMS services. Currently, public safety departments are characterized by a centralized set of support functions. Departments of public safety may also have civilian leadership.

It is easy to envision that a public safety department could have a much broader mandate. For example, the Public Safety Department in St. Louis, Missouri, includes police, fire, and the management of the local jail, but the director of public safety is also responsible for code enforcement and a Neighborhood Stabilization Team (NST). The primary objective of the Neighborhood Stabilization officers that staff NST is to "utilize problemsolving skills...to aggressively and proactively address physical and behavioral issues [and]...to share proper problem-solving tools and mechanisms with citizens."10

 Public safety officers. In a small number of American cities that have a public safety department, there are no police officers. Instead, there are

public safety officers who perform both police and fire response functions. Cities like Sunnyvale, California, and Kalamazoo, Michigan, cross-train employees to perform both duties. This form of reorganization would likely require extensive study and, for jurisdictions with civil service and/or collective bargaining agreements, the process could be lengthy, litigious, and challenging before even considering the transition process for current fire and police personnel. However, there is little question that potential budget savings could be meaningful and could create additional capacity to invest in non-police strategies to improve safety and justice.

Divestment. In some ways, reducing police funding is the most straightforward explanation of "defund the police" a simple call to reduce the size of the department in personnel, budget, or both. This is also the approach that has garnered the most headlines and consideration in recent months. According to a survey of police departments by the Police Executive Research Forum, a non-partisan research organization, almost half of 258 responding agencies reported that their funding had already been cut or is expected to be reduced—with most of the reductions in the 5 to 10 percent range.11 The report concluded that much of the funding is being pulled from equipment, hiring, and training accounts, even as a number of cities also are tracking abrupt spikes in violent crime."12 As noted in the report, the combination of the police reform movement and the fiscal realities of the COVID-19 recession are leading to cuts—though, generally, not yet to existing staffing.

Change the role of the police.

In this case, the demand to defund the police is really part of a strategy to change the scope of responsibilities of the police. Many would agree that the police should be responsible for enforcing the law and acting to deter crime, but too often police have been asked to do much more. In the absence of other essential services, police are sometimes asked to engage in extraordinary duties.

Advocates of this approach to defunding would argue that it does not make sense

to put police departments in charge of initiatives designed to improve quality of life in a neighborhood simply because they are the only resource available and that, because of a lack of other alternatives, police have become the answer to every problem. This approach suggests that rather than adding responsibilities to police departments, shifting resources to other parts of local government or the nonprofit sector could lead to better outcomes and more efficient use of local government dollars.

Considerable attention has focused on the role of police as first responders to reports of individuals with serious mental health issues. This role for the police has been the result of the absence of adequate investments in community-based mental health services. More broadly, the criminal justice system has become the point of service for the provision of a large percentage of mental health services. In most cases, the local jail is the largest mental health provider in the community.

Cities are now examining whether they can use social workers instead of police officers as the first responders to calls related to individuals with mental health issues and to calls related to homeless individuals. After all, it generally makes no more sense for police to respond to these calls (even with crisis intervention training) than it does to send a social worker (even one trained in firearms) to respond to a bank robbery.

In Eugene, Oregon, the CAHOOTS model has been in use for nearly 30 years, providing mobile crisis intervention designed as an alternative to police response for non-violent crises.13 The program is staffed and operated by a community clinic, and the city funds the clinic for services. In 2019, CAHOOTS responded to approximately 24,000 calls, or 20 percent of total 911 dispatches and estimates that it saved local government about \$8.5 million in public safety costs and an additional \$14 million in ambulance and hospital emergency department costs.

Following the CAHOOTS model, Albuquerque, New Mexico recently announced its intent to create a new Department of Community Safety that will use specially trained, non-police

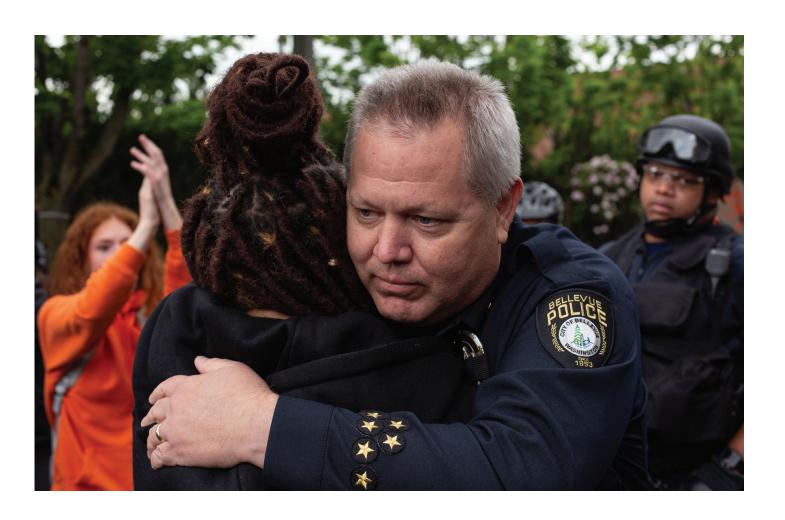
employees to respond to calls for service that involve mental health, drug addiction, homelessness, and traffic management, among others.14 The city's goal is to better focus what police should actually do and why police should do those functions.

The CAHOOTS and Albuquerque approaches are consistent with past efforts to civilianize positions in police departments where sworn officers are not needed as first responders. Examples include the use of Teleserve—where civilians can take reports of nonemergency crimes by phone in lieu of deploying sworn officers—and use of police service technicians to respond to auto accidents without injuries and to perform traffic control functions.

Divestment and reinvestment. Defund the police advocates have sometimes called for a combination of divestment—funding cuts—and reinvestment. Rather than focusing solely on the police, this strategy acknowledges that prevention-first strategies can be more effective and more efficient in achieving outcomes related to safety and justice.

In some cases, the reinvestment strategy could focus on broader initiatives designed to reduce risk factors that may be related to criminal activity. For example, individuals who commit crimes resulting in incarceration are disproportionately unemployed, living in poverty, or both. As a result, strategies to increase economic opportunity over the long term-education, workforce development, early childhood educationcan lead to more safety and more justice.

Community redevelopment strategies also can be directly tied to increases in public safety. Some have attributed New York City's aforementioned crime reduction in the 1990s to investments in additional police. Other scholars have suggested that there is a direct linkage between the city's massive investment in renovation and rehabilitation of city-owned housing and its reduction in crime. For example, the revitalization process allowed the city to reduce high concentrations of vacant buildings and vacant lots that became crime hot spots.15



THE CALL TO DEFUND THE POLICE IS REALLY A CALL TO RETHINK HOW LOCAL GOVERNMENTS BUDGET FOR SAFETY AND JUSTICE.

Above, Bellevue Police Chief Steve Mylett hugs a demonstrator during a gathering to protest the recent death of George Floyd on May 31, 2020 in Bellevue, Washington. There are also potential reinvestments that are more directly tied to individuals involved in the criminal justice system. For instance, some cities invest in employment and housing opportunities designed to reduce recidivism by offenders returning to the community from jail or prison. A recent review of a Los Angeles County Office of Diversion and Reentry's Supportive Housing Program found that the program resulted in 91 percent of individuals having stable housing after six months; 74 percent had stable housing after 12 months, and 86 percent had no new felony convictions after 12 months. ¹⁶

Another targeted avenue for investment is programs that divert individuals with substance abuse or mental health issues from arrest and incarceration. In too many communities, there are insufficient community providers to meet the needs of residents. As a result, mental health and addiction services sometimes fall to the county governments or municipal governments where resources are constrained. Freeing up resources—or working in collaboration across

governments—to invest in diversionary treatment services may both increase safety and decrease long-term costs.

Defunding the Police and Budgeting Best Practices

Setting aside calls for abolition and demands for arbitrary divestments that are not based in data or research, our view is that the call to defund the police is really a call to rethink how local governments budget for safety and justice. This approach rejects antiquated measurement of success as the amount of spending allocated to law enforcement and instead recognizes that a prevention-first approach may be a better investment. The smartest budget policy is almost always the one that most advances justice.

The reality is that many of the approaches sought by the defund the police movement are completely consistent with several best practices in budgeting. Budget officials have the opportunity to define the call to defund the police in a way that aligns with these best practice approaches.

- There can be no sacred cows: To the extent that police departments are treated like other departments in budget decision-making, this is consistent with the idea that there should be no sacred cows in any strategic approach to local resource allocation.
- Prevention first: The local government example of an ounce of prevention is worth a pound of cure: Prevention is almost always less costly than response. As such, budget officials have long advocated for a prevention-first approach to services that can improve outcomes and reduce demand for police services, fire services, capital investment, risk management, public health, and other types of common local government spending. Defund the police efforts in this vein are entirely consistent with efforts to maximize efficient use of resources.
- Civilianization: Efforts to change the role of sworn officers are fully consistent with other efforts to more efficiently deploy scarce and costly resources in local government.

Fundamentally, the movement to defund the police can alter the debate over justice and safety budgeting. Rather than asking "how many police do we need," local governments should ask, "what are the best and most efficient ways to increase justice and safety in our community?"

This outcomes-based approach to budgeting is what can drive change in both spending and policy. After all, budgets are not math; they are the clearest and most concrete way that most local governments have to set forth their priorities on an annual basis. Rather than an incremental budgeting approach, outcomes-based budgeting can lead to better decisionmaking and investment strategies.

Conclusions

More than anything, the movement to defund the police should lead to a good debate in every community—and it's a debate that is overdue. Every community will have a different answer to what "defund the police" really means within its local context, but no one should shy

away from the discussion. As local governments reckon with the challenge of systemic racism and face unprecedented economic impacts from the COVID-19 recession, a robust debate over how to respond is essential and budget officials must be at the table and be fully engaged.

In some communities, this debate will raise issues and feelings that are hard. As is often the case today, extreme positions will be staked out on both sides. Moreover, decision-makers will need to resist the notion that the results of efforts to defund the police however defined—will be a panacea.

Abolition will often be impractical. Reorganization may be messy. Divestment without reinvestment may leave communities at risk. And efforts to change the role of the police or reinvest resources in other approaches to increase safety and justice will only be effective with thoughtful, evidencebased policy design and strong and sustained implementation.

A new policy paradigm that substitutes measuring how little we spend on police and how much we spend on other programs will be no more effective than the outdated approach that equates success with how much we spend on law enforcement. Nevertheless, this is a debate whose time has come. And with the right approach, it is an opportunity for smarter, more efficient, more humane, and more effective policy changes to increase safety and enhance justice in communities across the nation.

Seth A. Williams is a senior managing consultant in PFM's Management and Budget Consulting practice and deputy director of the firm's Center for Justice and Safety Finance. David R. Eichenthal is a managing director with PFM's Management and Budget Consulting practice and leads the firm's New Orleans office. He is also the executive director of the National Resource Network, a consortium of organizations that has provided cross-cutting technical assistance to more than 60 economically challenged communities across the nation.

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- 5 FBI Uniform Crime Report data.
- 6 U.S. Bureau of Labor Statistics, Occupational Employment Statistics, 2008-2016
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- 8 Crabtree, "Most Americans."
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