

Towards a Thriving City: A Review of the District's 2019 Budget for Girls, Women and Families of Color

By DCFPI Staff

The adopted DC budget for 2019 takes important steps to address DC's substantial racial and gender inequities, through notable investments in early education, schools, housing, and homeless services. At the same time, the budget reminds us how far the city has to go, with funding changes that fell far short of what is really needed to increase the chances for low-income residents to reach their full potential. To ensure that economic opportunity is more evenly shared throughout DC, our policymakers will need to be much bolder with future budgets to invest in essential programs that support DC families. This will likely require the District's leaders to identify new ways to raise revenues to make those investments.

This policy brief highlights the most significant changes affecting low-income residents, and particularly low-income women, girls and families of color. Where possible, we compare the progress with a measure of the full need.

DC's Large Racial and Gender Inequities

National and local policies have systematically under-resourced and segregated communities of color in the District, creating longstanding economic and racial inequities that undercut the strength and vitality of our city. The average income of the top fifth of DC households is now 34 times larger than the bottom fifth (\$320,000, compared to \$9,000). Black median household income is now less than a third of the white median income, and Latinx median household income is only half the white median income.

Economic and racial injustice are distinct and intertwined in DC. Nearly all of the 27,000 extremely low-income households in the District who face housing insecurity are headed by a person of color, as are most people experiencing homelessness.¹ Black students are disproportionately suspended, and only about a fifth of Black high school students test college and career ready.² DC's Latinx population continues to have the lowest rate of health insurance coverage among race and ethnic groups, in part because of onerous enrollment requirements for a DC health insurance program that primarily serves immigrants. Many low-income workers in the District, particularly workers of color, continue to be victims of wage theft, and the unemployment rate in predominately Black Ward 7 and Ward 8 remains higher than 10 percent.³

Budgetary solutions to address these racial and economic inequalities also need to focus on gender and an analysis of the discriminatory practices and policies that disproportionately impact women. Women in the District are paid 86 cents for every dollar paid to men, which amounts to a \$10,039 annual earnings gap. The inequity is even starker for women of color in the District: among those with full-time, year-round jobs, Black women are paid 53 cents and Latinas are paid 48 cents for every dollar paid to white, non-Hispanic men.⁴ Inadequate government funding for the care and education of infants and toddlers, poor job conditions, and low wages all contribute to far too many women and girls living in poverty. In DC, there are nearly 63,000 women and girls in households with incomes lower than the federal poverty line—that's about \$21,000 for a family of three.

FY 2019 Budget: Important Progress Toward Equity, but Much More Is Needed

There are many critical investments in the District's 2019 budget that will help create a more equitable future for low-income residents, women and girls, and communities of color. But those investments fall short of ensuring equitable access to health care, funding critical affordable housing needs, maintaining our commitment to ending homelessness, and providing every child with the resources they need to succeed.

- **Universal Paid Family Leave:** The District's recently established paid family leave insurance program, set to start in 2020, will help DC residents remain financially stable by replacing part of their wages when they take time off to be with a new child or to deal with an illness. The program is designed to be especially helpful to low-wage workers, with benefits replacing 90 percent of wages. Good paid family leave benefits improve maternal and infant health outcomes and enable women to keep their jobs and advance in their careers.⁵ The 2019 budget fully funded start-up costs, allocating \$5.6 million for implementation and \$40 million in capital costs through 2023.
- **Early Education:** Early childhood operators who educate infants and toddlers in low-income families are not paid enough to fully cover the costs of providing the high-quality early care and education that every child deserves. The majority of DC's early childhood educators are women of color, whose financial security and well-being is weakened by very low wages and limited employer-sponsored benefits, like health insurance or retirement plans.⁶ The FY 2019 budget includes a significant \$10 million investment to bring funding for the District's child care subsidy program a little closer truly covering the cost of high-quality care, improving learning environments for our youngest children and the adults who care for them.

What's Still Missing: Much more is needed to align child care subsidies with the real cost of care and build a truly comprehensive support system for early childhood development in the District.

- **Affordable Housing:** People of color, and particularly women of color, bear the brunt of DC's affordable housing challenges. The District invests in two important programs to make housing more affordable: the Housing Production Trust Fund, which provides low-cost loans to help build and preserve affordable homes; and the Local Rent Supplement Program, which provides rental assistance that makes homes affordable to extremely low-income residents. The 2019 budget maintains a \$100 million investment in the Housing Production Trust Fund, and adds \$4.75 million in new funding for the Local Rent Supplement Program.

What's Still Missing: These increases, while important, will not substantially expand the availability of housing affordable to the city's lowest-income residents; much larger investments are required. The District has completed or planned fewer than 3,000 rental units for extremely low-income residents since 2015—serving just a small fraction of the 27,000 such households facing severe rent burden.

- **Ending Homelessness:** There are far too many District residents at risk of dying without the dignity of a home. The 2019 budget adds funding for Permanent Supportive Housing for 414 single adults experiencing chronic homelessness, and \$2 million for Targeted Affordable Housing for about 110 individuals. Permanent Supportive Housing provides long-term affordable housing and intensive case management. Targeted Affordable Housing provides long-term affordable housing.

The budget also invests \$5.3 million for Permanent Supportive Housing for 167 families with children, and \$7.2 million for Targeted Affordable Housing for 347 families. New funding for youth homeless services including permanent housing, transitional housing, wrap-around medical services, shelter beds, after care and prevention totals \$4.7 million. The budget also added \$2.5 million to the create 83 new units of transitional housing for domestic violence survivors.

What's Still Missing: The 2019 budget addressed less than half of what's needed to help all residents facing chronic homelessness. Much more is needed to realize the goals of making homelessness rare, brief and non-recurring, and as a result, homelessness will continue to be a highly visible problem in DC. While the FY 2019 budget enhancement for transitional housing for domestic violence survivors increases the survivor housing inventory by 52 percent, the total inventory falls far short of what is needed.

- **Family Income Support:** This past April, the District implemented a policy that eliminates the time limit in DC's Temporary Assistance for Needy Families (TANF) program, which was passed one year ago as part of the 2018 budget. This protected 6,000 families from losing all income assistance and ensures, going forward, that all parents will have resources to care for their children. As part of this change, families also received a substantial increase in their cash assistance benefits, which had been around \$160 a month to a family of three. The city's 2019 budget includes funding to increase benefits for all families by 11.8 percent. A family of three will see their benefits increase from \$576 per month to \$644.
- **Health Care Coverage:** Having health insurance protects families from escalating medical debt after an illness or injury and improves health outcomes for DC residents. Moreover, as more people have health coverage, it helps maintain affordability for everyone else. The budget includes \$1.1 million to implement a District-wide insurance requirement for health coverage that will require most District taxpayers and their dependents to maintain health coverage unless they qualify for an exemption. The requirement will largely mirror the previous federal "mandate" before it was repealed in late 2017 and will help protect insurance coverage affordability and prevent more residents from becoming uninsured.

What's Still Missing: The District continues to keep in place an onerous enrollment requirement in its DC Healthcare Alliance Program, which provides health insurance primarily to immigrants ineligible for Medicaid. The burdensome enrollment process is keeping thousands of eligible residents from accessing care. Legislation to reverse this requirement, which would improve health care coverage for DC's immigrant residents, has been adopted but was not funded in the FY 2019 budget.

- **School Health Services:** The trauma of living in prolonged stressful environments can lead to developmental challenges and exacerbate the systemic inequities that many children of color already face growing up in the nation's capital. The 2019 budget increases funding for school-based mental health by \$3 million and maintains \$1 million to continue the New Heights program that supports students who are pregnant or parenting. DC leaders also added \$4.4 million to support the School Health Services Program and ensure that all DCPS and public charter schools have registered nurses or licensed practical nurses on staff full-time.

What's Still Missing: One in six District youth suffer from emotional, behavioral, or developmental conditions, yet only one-third of DCPS and public charter schools have full-time mental health clinicians.⁷ Greater investments are still needed to provide trauma-informed health services in schools, neighborhoods and child development centers, particularly for LGBTQ students and students of color. Lesbian, gay, and bisexual high school students consider suicide at a rate 2.75 times higher than heterosexual peers; for transgender students the rate is 3.2 times higher.⁸ High school Latinas consider suicide at a rate 3.5 times higher than white classmates.⁹

- **PreK-12 Education:** The District does not invest enough resources to provide every student with an excellent education, particularly low-income students and students of color. The 2019 budget makes some significant investments in education, partially addressing this under-funding. The increases include: fully funding special education reforms adopted in 2014, including supporting infants and toddlers with developmental delays, faster evaluations for families, and enhanced transition planning for special education students completing high school; doubling funding for Community School partnerships to turn more schools into community-serving hubs; and increasing summer and after school (out-of-school-time) programs by \$10.6 million, reversing budget cuts that have greatly limited access to these programs for low-income students in recent years. The budget also increases the 'at-risk' weight in the DC Public School and Public Charter School funding formula, designating \$2 million more for supplemental supports for low-income students. And the budget increases the base level of funding for DCPS and public charter schools by 3.9 percent, from \$10,257 to \$10,658 per-student.

What's Still Missing: Both per-student funding and supplemental funding for low-income students are still far lower than expert recommendations.

- **Workforce Development:** The number of private-sector jobs in the city grew by 27 percent between 2000 and 2016¹⁰, but this rapid pace of job creation has not translated into wage growth for all workers. Instead, wages earned by the lowest-wage DC workers have barely changed in the last decade. Most low-wage workers in the District are women of color. Because women of color are more likely to support children on their own, low salaries disproportionately limit their economic wellbeing.¹¹ To ensure that the city's ongoing growth benefits the DC residents and workers who have been left behind, the 2019 budget dedicates \$1.5 million to Career Pathways Innovation Fund and increases money for adult education programs that serve low-literacy adults by \$500,000.
- **Metro:** DC residents, particularly low-income residents, often rely on public transportation to get to work, buy groceries and accompany their children to school. The breakdowns in service in recent years affect residents' ability to keep a job or keep up in class. The 2019 budget funds DC's annual \$178 million commitment to a regional funding stream (Maryland and Virginia have pledged \$167 million and \$154 million respectively).

The city is also taking steps to remedy distressing economic and racial inequities through progressive legislation. The 2019 budget includes some funding for critical new legislation:

- **Phasing Out Harmful School Discipline Practices:** When schools rely on exclusionary discipline—such as suspensions—students miss lessons, fall behind upon return, and are more likely to drop out. The Student Fair Access to School legislation adopted this year steers schools away from exclusionary school discipline practices, including out-of-school suspension, which

disproportionately hurts students of color and special education students. To support this legislation, the budget invests in the newly established School Safety and Positive School Climate Fund, which includes at least \$450,000 new dollars for Restorative Justice Models that better address the root causes of disruptive behavior.

What's Still Missing: Larger investments are still needed to fully implement the legislation.

- **Comprehensive Supports for Infants and Toddlers:** The groundbreaking Birth to Three For All DC legislation passed this year builds on the success of DC's universal pre-K3 and pre-K4 by focusing on better serving our infants and toddlers with a comprehensive approach. The legislation calls for fully funding DC's child care subsidy program, raising compensation for early educators, and improving access to health services and supports for families. The 2019 budget commits \$1.3 million to seed key components of the legislation, including additional home visiting, the development of a salary scale for early educators, expansion of the Healthy Steps pediatric model, and on-site classes for early educators earning higher credentials. The \$1.3 million is financed through an increase to the District's tobacco tax, which will help reduce tobacco use among DC's youth over time and improve population health.

What's Still Missing: Far more funding is needed to fully implement the important reforms in this legislation, rising to about \$500 million ten years from now.

- **Ensuring DC Government Construction Projects Create Good Jobs:** Project labor agreements (PLAs) are single-site collective bargaining agreements between building trade unions and project contractors that govern the conditions of employment for all craft labor on a construction project. Developers often enter PLAs with unions because they promote quality, safety, timely delivery and cost efficiency. The 2019 budget funds legislation requiring that all DC government building projects valued at more than \$75 million are built under a project labor agreement. There are many jobs that come into the city via economic development subsidies. Female workers dominate the city's growing leisure and hospitality industry, more specifically the industry is dominated by women of color. When the District has the opportunity to attach high-quality job standards to projects receiving subsidies, the District should do so. This could dramatically improve the quality of life for many female workers in the District. The District should also continue to strengthen its workforce development systems so that women who matriculate through job training programs receive quality jobs after completion.
- **Defending Access to Women's Health Care Services:** Federal threats to the Affordable Care Act (ACA) jeopardize the law's critical improvements toward women's health coverage and benefits. The FY 2019 budget includes \$107,000 to fund recent Council legislation that requires DC insurers to cover certain health care services for women under the ACA without cost-sharing, including breast cancer screening and counseling, contraception, screenings for HIV, and counseling for sexually transmitted diseases.

Looking Ahead at What's Needed to Create a Fully Equitable Budget

The progress made in this year's DC budget reflects an acknowledgement by DC's leaders of the tremendous gender and racial inequities in our community, and a commitment to address them. Yet the many places where new investments in the FY 2019 budget fall short show that the District lacks the

resources necessary to meet the needs of DC residents. If we continue down this path, we will make small incremental changes each year to reduce inequities—but not get anywhere close to eliminating them.

It doesn't have to be this way. Leveraging our strong economy, vibrant population, and unprecedented prosperity can give us the tools we need to make investments that are scaled to the size of our needs. In particular, the District's leaders should look to raising new revenues in a progressive way—from the households and businesses benefiting the most from the city's strong economy—and using those revenues to strengthen essential programs that support girls, women, and families in the District.

This blog was also posted on the Washington Area Women's Foundation website. On September 28th, Washington Area Women's Foundation released the Young Women's Initiative's [Blueprint for Action](#), which presents recommendations for a DC that better supports and embraces the strength of young women of color. The Blueprint represents the collective voice of more than 200 local young women of color and provides guidance for policymakers, government entities, community based organizations, school districts, and funders on how to address the challenges identified by young women in the District.

If you have questions about how your organization can utilize the Blueprint's recommendations, please reach out to the Washington Area Women's Foundation at programs@wanf.org or 202-347-7737.

¹ Claire Zippel, DC Fiscal Policy Institute, "[Building the Foundation: A Blueprint for Creating Affordable Housing for DC's Lowest-Income Residents](#)," 2018.

The Community Partnership for the Prevention of Homelessness, "[2018 Point-in-Time Count of Persons Experiencing Homelessness in the District of Columbia](#)."

² Office of the State Superintendent of Education: "State of Discipline 2016- 2017 School Year"; 2016 – 2017 PARCC Scores
³ 2012-2016 American Community Survey 5-Year Estimates, Table S1701,

<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴ National Partnership for Women and Families, "[DC Women and the Wage Gap](#)"

⁵ National Center for Children in Poverty, "Paid Family Leave: Strengthening Families and Our Future,"
http://www.nccp.org/publications/pdf/text_1059.pdf

⁶ [Early Childhood Educator Compensation in the Washington Region, Urban Institute, April 2018.](#)

⁷ Kwarciany, J. (2017, September 25). Back to School: Focusing on Mental Health. Retrieved from
<https://www.dcfpi.org/all/back-to-school-focusing-on-mental-health/>

⁸ Office of the State Superintendent of Education Government of the District of Columbia, Mental Health Fact Sheet (2017)
<https://osse.dc.gov/node/1351701>

⁹ Ibid.

¹⁰ Bureau of Labor Statistics, U.S Department of Labor Current Employment Statistics Survey (2000-2016)
<https://www.bls.gov/ces/>

¹¹ Katherine Richard, "The Wealth Gap for Women of Color," Center for Global Policy Solutions, October 2014,
<https://globalpolicysolutions.org/wp-content/uploads/2014/10/Wealth-Gap-for-Women-of-Color.pdf>