

MAYOR'S OFFICE OF RACIAL EQUITY

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Mayor's Office of Racial Equity Fiscal Year 2025 Budget Summary

Budgeting for Racial Equity

For the third year since it was established in April 2021, the Mayor's Office of Racial Equity (ORE) collaborated with the Office of Budget and Performance Management to advise on the Fiscal Year 2025 budget formulation. Within the context of the budget process, ORE's goals are to help standardize the use of a racial equity lens¹ across the District Government's budget discussions and to promote and track investments with the greatest potential to advance racial equity. Please see the [ORE Budget Process Methodology](#) one-pager for more information on the ORE budget review process.

The FY 2025 budget labeled "A Fair Shot: Strategic Investments and Shared Sacrifice" represents commitments to address the confluence of post-COVID factors and drive economic growth. Three guiding principles developed the budget:

- Maintaining and enhancing core services and preserving investments that protect health and safety,
- Prioritizing programs with track records of success that advance equity and
- Resetting spending to align with resources for long-term fiscal stability and focusing new spending on catalytic investments, focusing on public safety, education, and downtown.

To address the significant budget gap (\$500 million), the District prioritized identifying additional funds through various cost-saving or prohibitive measures, including eliminating positions and reducing duplicative or low-performing programs to right-size spending and address revenue reductions. In this process, the District prioritized racial equity and ensured that racial equity was one of the factors considered when approving or disapproving a new initiative.

Prioritizing Equity

Despite a challenging financial outlook, Mayor Muriel Bowser's FY 2025 budget remained steadfast in its commitment to prioritizing racial equity. Across District agencies, a racial equity lens was adopted in their budget proposals for the fiscal year. Given the city's fiscal outlook, agencies strategically proposed fewer enhancements than in the previous two years, prioritizing those with more significant potential impact. Significantly, of all the enhancements focused on

¹ In its simplest form, a racial equity lens is a set of questions we ask in decision-making processes to bring the lived experiences of people who have been impacted by racism and those who will be most affected by the decision into the conversation.



making meaningful progress toward closing gaps in racial inequities that ORE reviewed, 43 percent were funded.

Highlights of Mayor Bowser’s FY 2025 Budget Investments in Advancing Racial Equity

Among the deputy mayoral agencies that submitted budget enhancements for FY 2025, 67 percent submitted at least one enhancement with a racial equity focus, a 10 percent increase relative to FY 2024. Please see the table below for an overview of agencies’ FY 2025 racial equity enhancements by deputy mayoral cluster.

In their budget proposals, District agencies had the opportunity to request enhancements for the following: to restore a previous budget reduction; to maintain an existing program that has increased costs; to improve operations; to expand high-performing existing programs; to launch a completely new program or activity; or continue an ARPA SLFRF project. Due to the projected decrease in revenue, the number of enhancement requests declined relative to the previous fiscal year. Within these six categories, agencies are required to indicate how the proposed enhancement will impact racial equity in the District. ORE reviews agency enhancement requests to identify proposals with the strongest potential to address known equity gaps. The type of enhancement requests an agency submits and their relation to racial equity vary depending on the agency’s mission and operational goals. Not all enhancements relate directly to racial equity; for example, given the effects of inflation nationwide, ORE reviewed but did not typically weigh in on FY 2025 enhancements which requested funds to keep up with increased costs of goods or services, *e.g.*, more expensive postage stamps or electricity costs.

The table below shows the percentage of agencies by deputy mayoral cluster which proposed at least one budget enhancement in FY 2025 that addressed a known racial equity gap.

| Percent of Agencies with at Least One FY 2025 Racial Equity Enhancement, by Deputy Mayoral Cluster | |
|---|------------|
| Deputy Mayor for Operations and Infrastructure | 82% |
| Deputy Mayor for Education | 83% |
| Deputy Mayor for Health and Human Services | 75% |
| Deputy Mayor for Public Safety and Justice | 82% |
| Deputy Mayor for Planning and Economic Development | 73% |
| Internal Services | 13% |
| All Mayoral Agencies | 67% |

The chart above helps us understand that over two-thirds of mayoral agencies proposed a budget enhancement in FY 2025 that addresses a known racial equity gap. When ORE reviews budget



enhancements, it highlights submissions with the greatest potential to address racial equity gaps (e.g., a rating of 3 or 4; please see the [ORE Budget Process Methodology](#) one-pager for more information on the ORE budget review process). This rating is based on the strength and quality of available evidence, potential unintended consequences, and the role of community engagement in the development of the budget request. ORE rated nearly half of all FY 2025 racial equity enhancements as promising investments. ORE advises District leaders, who then use ORE input to inform the final budget formulation. ORE also works with District agencies to continuously develop the technical expertise and resources needed to align investments with racial equity. District agencies are intentionally building and strengthening their capacity to analyze strategic investments through a racial equity lens.

The table below shows the percentage of racial equity enhancement requests rated as having a moderate to strong potential impact:

| Percent of FY 2025 Budget Enhancements with a Racial Equity Flag and an ORE Rating of 3 or 4 out of 4 | |
|--|-------|
| Deputy Mayor for Operations and Infrastructure | 52.2% |
| Deputy Mayor for Education | 41.7% |
| Deputy Mayor for Health and Human Services | 63.0% |
| Deputy Mayor for Public Safety and Justice | 31.0% |
| Deputy Mayor for Planning and Economic Development | 52.9% |
| Internal Services | 100% |
| All FY 2025 Racial Equity Enhancements with ORE Rating of 3+, on average | 47.1% |

FY 2025 Budget Investments in Advancing Racial Equity

Below is a selection of FY 2025 investments ORE considers among the most promising for advancing racial equity in DC. It is important to note that this is not an exhaustive list. Investments include enhancements, continuations, and capital investments.² Enhancements highlighted below were rated by ORE as having a moderate to strong justification for advancing racial equity (please see ORE’s Budget Process Methodology one-pager for more information).

- **Deputy Mayor for Planning and Economic Development**

² Agencies request enhancements to fund initiatives which are not included in their baseline budget (or “MARC”). Budget continuations invest in sustaining and growing programs which demonstrate successful outcomes. Capital investments fund durable assets like buildings or roads.



- \$11 million to grow the Home Purchase Assistance Program (HPAP) and help close the racial homeownership gap for longtime residents.
 - \$1 million to support the final year of the Strong Families, Strong Futures pilot, which invests in children in families on low incomes in Wards 5, 7, and 8 in their first year of life for healthy child development and lasting family success.
 - \$1 million to support the Heirs Property Assistance Program, which provides legal assistance to low-income residents to maintain their family property after the original homeowner passes.
 - \$60,000 to provide grants to CBOs to support the selection process of new commemorative works and to increase commemoration of underrepresented communities or events that have advanced racial equity and gender disparity
- **Deputy Mayor for Education**
 - \$6.8 million to support the continuation of the learning acceleration strategy through education training in literacy and math, high-impact tutoring for 5k+ students, and an expanded school improvement program
 - \$5.7 million to ensure the provision of legislatively required meal reimbursements and invest in high-quality health and nutrition programs and capacity building
 - \$1.1 million to establish a new Student Success Center to increase academic outcomes at the University of the District of Columbia
 - \$881,000 to establish an employer-based Advanced Technical Center and Virtual Course Hub site in Ward 8 offering courses and internships in health care and continuation of the DC Futures Scholarship
 - \$175,000 to provide staffing and operational needs at the Anacostia Center at Ketcham when it opens in FY 2025
 - **Deputy Mayor for Operations and Infrastructure**
 - \$7.2 million for continuation of DC School Connect, which provides students a safer alternative to get to and from schools for elementary, middle, and high students enrolled in a public and public charter school in Wards 7 and 8 via dedicated buses for students in grades K-12
 - \$3 million to sustain the pilot for curbside composting that will eventually reduce greenhouse gas emissions
 - \$902,000 to fund flood resilience upgrades for flood-prone homes in the District, especially in Wards 7 and 8, which will enable the homes to become more resilient to floods by 1) providing each home with a resilience assessment to identify potential upgrades, and 2) installing those resilience upgrades at no cost to the homeowner
 - **Deputy Mayor for Public Safety and Justice**



- 9.7 million to ensure students can travel safely to and from school in select priority areas and neighborhoods
 - \$3.1 million to supplemental the in-house resources and permit DFS to process additional violent crime cases and address the backlog of violent crime cases pending forensic testing services to include those associated with opioid and fentanyl use as well as gun violence
 - \$1 million to expand staffing for 911 call takers and dispatchers to provide quality and adequate coverage in all aspects of 911 call-taking
 - \$161,000 to provide storage of Physical Evidence Recovery Kits (PERK) and additional nurses to travel to hospitals for SANE exams.
- **Deputy Mayor for Health and Human Services**
 - \$20.3 million to supplement TANF through cost of living adjustments for District residents meeting the District’s standard of care guidelines to receive cash assistance to ensure residents’ economic stability and well-being
 - \$18.9 million to ensure that all of our existing program commitments to the 600 families enrolled in Career MAP, a program designed to remove barriers to help families advance to the middle class, will be met in FY25 and beyond
 - \$4.8 million to continue funding the Community Response Team (CRT) and Access HelpLine (AHL) staff to support Crisis Service Initiatives including the Behavioral Health 911 Diversion Program
 - \$4.1 million to fund approximately 40 youth-specific transitional housing beds, Drop-in Centers, and 10 designated Permanent Support Housing beds for youth 18-24 who have chronic and disabling conditions that impact their housing stability and employability
 - **Government Operations and Internal Services**
 - \$1.7 million to launch an Artificial Intelligence (AI) Office tasked with developing an AI Strategy for the District
 - \$1 million to continue the development and operations of the DC Business Portal

Conclusion

The District continues to demonstrate a commitment to advancing racial equity by examining and developing just policies, practices, and budgets. For example, the District has the highest minimum wage in the country and the highest percentage enrolled in Medicaid + CHIP of any state. This year’s budget summary further illustrates how the District works to reduce disparate outcomes and allocate resources to support equitable outcomes. This year, the District launched the first Racial Equity Action Plan, which details the actions we will take to address racial equity



gaps, including meaningfully engaging residents and revitalizing systems to ensure all Washingtonians have a fair shot.

