

MAYOR'S OFFICE OF RACIAL EQUITY

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Office of Racial Equity Fiscal Year 2023 Budget Process Summary

Established by Mayor Muriel Bowser in 2021, the Office of Racial Equity (ORE) focuses on developing an infrastructure for policy decisions and District Government programs to be evaluated through a racial equity lens; the office also carries forward the implementation of the Racial Equity Achieves Results (REACH) Amendment Act of 2020 (D.C. Law 23-181). ORE is led by Chief Equity Officer Dr. Amber Hewitt and is housed within the Office of the City Administrator.

To close racial equity gaps and improve the quality of life for all residents, ORE's racial equity theory of change is to:¹

- **Normalize** the concept of racial equity within District government by establishing a shared racial equity vocabulary and facilitating staff understanding of racial equity in both interpersonal and applied policy settings through training and technical support.
- **Organize** to advance racial equity by building partnerships within District Government and meaningfully engaging community members to build internal and external capacity for change.
- **Operationalize** the advancement of racial equity by explicitly developing and implementing tools that enable District agencies to incorporate a racial equity lens into government operations.
- **Assess** the District Government's progress toward a more racially equitable DC by developing and tracking indicators of change across a wide range of issue areas.

In its first year of existence, ORE has worked to normalize, organize, and operationalize racial equity through the District's budget process by examining the allocation of resources in support of equitable resident outcomes.

Normalization and Organization

ORE began preparing for the FY 2023 budget formulation process in July 2021 by developing the Racial Equity Budget Tool (REBT) to assist District agencies with the identification and development of budget proposals to advance racial equity. The REBT is both a product and a process, designed as a set of questions to guide District agencies in assessing how their budgets can benefit and/or unintentionally negatively impact communities based on race, specifically Black, Indigenous, and People of Color (BIPOC) communities.² The REBT serves to identify programs and services with the greatest capacity to move the needle on closing racial equity gaps.

¹ The Office of Racial Equity's theory of change is based on the systems change approach developed by the Government Alliance on Race and Equity ([GARE](#)), a national partnership between Race Forward and the University of California at Berkeley's Othering & Belonging Institute.

² BIPOC is person-first language used to illuminate the institutional, structural, and systemic forms of racism that affect Black, Indigenous and People of Color.



The REBT requires agencies to purposefully consider disparate outcomes by race and ethnicity, focuses on evidence, and encourages community input and involvement. The REBT also serves a dual function by presenting a clear set of standards which ORE uses to evaluate agency budget enhancements through a racial equity lens.

The REBT was developed by conducting formative research of promising practices and examples from the academic literature and other jurisdictions, including the Government Alliance on Race and Equity (GARE), San Antonio, Portland, Seattle, Austin, Durham, Santa Clara, Milwaukee, Minneapolis, and Dallas. ORE met with the Office of Budget and Performance Management (OBPM) and District government leadership to ensure the REBT aligned with the District's policies and to facilitate seamless integration of the REBT into existing budget processes. A critical part of the REBT's development process was engaging District agencies to obtain input on its utility and implementation. Feedback was also obtained from the Interagency Committee on Racial Equity and the 12 agencies participating in DC's first racial equity pilot cohort. These dozen agencies are working to incorporate a racial equity lens into their missions, visions, and practices.

To normalize the use of a racial equity lens in the budget formulation process, ORE presented the REBT during the FY 2023 budget kickoff meeting on September 22, 2021. ORE staff also met with individual agency teams to provide technical support throughout the budget formulation process.

Operationalization

In ORE's inaugural *Budgeting for Racial Equity* briefing in the FY 2022 Budget Book, Director Hewitt noted that collaboration with OBPM was a critical opportunity for the FY 2023 budget process. The strong, ongoing partnership that resulted from this opportunity speaks to the importance of interagency collaboration in ensuring the District government works for all Washingtonians.

ORE's work with OBPM to operationalize a racial equity lens within the District's budget process comprised two strands in FY 2023: 1) effectuating the application of a racial equity lens at the individual agency level, and 2) ORE's role as a technical advisor by reviewing agency budget submissions and making recommendations to the City Administrator and OBPM. These functions helped ORE develop a holistic overview of Mayor Bowser's FY 2023 budget investments to reduce disparate outcomes and advance racial equity in the District.

Racial Equity Budget Tool

The REBT contains seven questions to facilitate consideration of racial equity throughout the budget formulation process. In FY 2023, these questions were included as part of the standard document submissions each agency had to provide to OBPM.

The first four questions seek information about the overall impact of the agency's budget on racial equity:



- In what ways will your overall budget for the next fiscal year target ways to advance equity? What are the most important racial equity outcomes you are hoping to see as a result of this proposal?
- In what ways have you meaningfully involved internal and external community stakeholders in your agency's budget development process, including staff and communities of color?
- Based on your planned FY 2023 budget, describe the ways your department used racial/ethnic and socioeconomic data (quantitative or qualitative) to prioritize and develop criteria for allocations of financial, human, and other resources in a racially equitable way.
- What constraints at your agency most inhibit the advancement of racial equity? Please list any budget proposals that directly address these issues.

The last three questions focus on the racial equity impact of individual budget modifications requested by each agency:

- How does this budget enhancement align with the goal of advancing racial equity in the District?
- How would specific allocations in this enhancement request impact racial and/or ethnic inequities experienced by DC residents or how does a proposed reduction impact racial and/or ethnic inequities? How will your agency mitigate the negative impacts?
- How will your agency collect and evaluate disaggregated data to assess racial equity impact in communities and inform future budget decisions?

Though FY 2023 was a pilot year for the REBT, agency participation was strong (see Table 1 for participation detail by cluster). Agencies that did not have racial equity-related enhancements still included narratives on their racial equity-focused work in their budget review presentations. Agencies that did not have enhancements pertaining to racial equity still interacted with ORE through the annual agency performance process and budget review meetings, as well as facilitation of the racial equity pilot cohort, and are primed to center racial equity in their FY 2024 budget process.³ ORE continues to provide technical assistance to agencies across each cluster on budget and policy matters.

Enhancement Review Methodology

ORE developed a budget enhancement review methodology which it piloted in the FY 2023 budget cycle. Based on the justification criteria laid out in the REBT, ORE reviewed budget enhancements against four touchstones:

- The strength and quality of the evidence presented;
- Consideration of the agency budget request's potential benefits and burdens on communities of color;
- Discussion of potential unintended consequences; and

³ ORE launched the Racial Equity Pilot Cohort in October 2021. Over the course of a year, 12 District agencies are developing agency-level racial equity action plans and the internal capacity for sustainable implementation. The cohort serves the dual purposes of cultivating interagency collaboration and a cadre of civil servants equipped to operationalize the District's racial equity principles.



- The role of community engagement in the development of the agency’s budget request.

ORE classified each enhancement’s potential to impact racial equity as either: “strong justification to advance racial equity,” “moderate justification,” “demonstrates a rationale,” “promising justification,” or “no justification.”⁴

Enhancements which were out of scope for ORE review were marked as not applicable, *e.g.*, software license renewals. All other agency budget requests were provided with a justification level and review narrative. In instances where agency-provided evidence was insufficient to assess potential racial equity impacts, ORE conducted additional agency outreach and desk research in collaboration with the budget team. Agencies which provided insufficient evidence were often limited by a lack of proprietary data disaggregated by race and ethnicity, particularly in instances where enhancements were prospective and work had not yet started.

Based on staff capacity, ORE originally planned to limit its review to budget enhancements self-identified by agencies as racial equity enhancements. Given the nature of FY 2023 as a learning year for agencies to apply the racial equity budget tool, ORE expanded the scope of its review to all budget enhancements so as not to omit any submissions which may have been unmarked in error. Prior to the FY 2024 budget process, ORE plans to increase outreach to agency budget leaders to continue to normalize the racial equity budget tool and to provide additional technical support.

Highlights of Mayor Bowser’s FY 2023 Budget Enhancements That Advance Racial Equity

FY 2023 was a pilot year for the REBT and all cluster agencies included narratives on their racial equity-focused work and interacted with ORE through the annual agency performance process and budget review meetings. Of the District Government agencies that submitted a budget enhancement in FY 2023, 66% of cluster agencies submitted at least one enhancement with a racial equity focus – an encouraging whole-of-government response for a pilot year. The table below breaks out the racial equity enhancements by cluster. It is important to note that ORE reviewed all agency budget requests and identified many more submissions with the potential to advance racial equity, but that were not marked by the agency as such. This suggests many agencies already allocate funds to advance racial equity but may not be using a unified vocabulary.

⁴ For more information on the Racial Equity Budget Tool, please see the Office of Racial Equity [website](#).



Table 1. FY 2023 Racial Equity Budget Enhancements by Cluster

Cluster	Among agencies submitting an FY23 Budget enhancement, percent with at least one racial equity-focused enhancement
Deputy Mayor for Operations and Infrastructure (DMOI)	86%
Deputy Mayor for Planning and Economic Development (DMPED)	75%
Deputy Mayor for Health and Human Services (DMHHS)	83%
Deputy Mayor for Education (DME)	88%
Deputy Mayor for Public Safety and Justice (DMPSJ)	65%
Internal Services (IS)	50%
TOTAL	66%

Note: Independent bodies, such as WMATA and the Metropolitan Washington Council of Governments, are not included in this chart. ORE staff reviewed some, but not all, submissions from independent bodies.

The selected examples below highlight the breadth and depth of Mayor Bowser’s FY 2023 budget investments to advance racial equity.

- **Deputy Mayor for Planning and Economic Development**
 - An historic \$500 million investment in the Housing Production Trust Fund to support the creation, acquisition, and maintenance of affordable housing in the District; and \$9.66 million to ensure that the Local Rent Supplement Program availability matches with estimated demand.
 - \$10 million invested in the new Black Homeownership Fund to increase access to homeownership for longtime District residents.
 - \$1 million to assist multi-generational families in maintaining their family property after the death of the original homeowner.
 - \$775 thousand for the Aspire to Entrepreneurship program; equitable access to the legal cannabis market in the District with a focus on returning citizens and veterans; and Ward 7 and 8 Dream Grants, which support microbusinesses in areas of the District with the lowest density of overall local businesses.

- **Deputy Mayor for Education**
 - 5.87% base increase in the Uniform Per Student Funding Formula.



- \$20 million to raise wages for Department of Employment Services job training and Marion Berry Summer Youth Employment Program participants.
 - \$13 million to increase slots for Department of Parks and Recreation summer camps, Tiny Tots Tennis, Senior Olympics, Learn to Swim, and other recreational programming.
 - \$788,700 to invest in call center capacity and operations to support District residents seeking unemployment benefits and other services.
 - \$680 thousand to expand the cadre of parks and recreation stewards so that District residents can enjoy safe, well-maintained natural and recreational facilities.
 - \$289 thousand to support increased engagement with court system-involved students and other historically underserved groups in our school communities.
 - \$156 thousand to support increased digital skill building support at libraries in Wards 5, 7, and 8.
- **Deputy Mayor for Operations and Infrastructure**
 - \$102 million over six years to continue a multi-year plan to make bus transit faster and more reliable across the District.
 - \$2.6 million to help residents in flood prone areas, especially in Wards 7 and 8, retrofit their homes to reduce risk of damage.
 - \$745 thousand to close an equity pay gap among frontline workers in different agencies who perform similarly skilled work.
- **Deputy Mayor for Public Safety and Justice**
 - \$1.1 million to provide up to five years of rental assistance for 100 eligible Ambassadors and to offer a 4:1 match savings program to all Ambassadors (up to \$1,500 benefit for 150 Ambassadors), which will improve rental and financial stability of BIPOC residents.
 - \$1.7 million to hire 23 workers to support high-quality care coordination, including life coaches, to provide critical violence intervention services for at-risk individuals.
 - \$786 thousand to expand funding for the Hospital-based Violence Intervention Program (HVIP), providing additional staff and program resources to support victims engaging HVIP services.
 - \$281 thousand to enhance capacity to implement the Resilient DC strategy equitably, allowing the District to see more progress on the 68 initiatives included in the plan that drive inclusive growth, address climate change, prepare for an increasingly digital future, and address health inequities and violence.
- **Deputy Mayor for Health and Human Services**
 - \$44.4 million to right-size the rental assistance budget for the Family Rehousing and Stabilization Program to keep pace with the projected program size and allow direct contracting of case management services, capacity building, quality improvement, and improved program outcomes.
 - \$31 million for new permanent supportive housing vouchers and other initiatives to end chronic homelessness and make homelessness rare, brief, and non-recurring.



- \$11.8 million to allow District residents who meet income guidelines to continue receiving cash assistance and allow families who receive means-tested support to keep pace with the increased costs of living in the District.
- \$11.5 million to increase Home and Community Based Service Provider rates over the next three years to support increased salaries for direct support professionals caring for our most vulnerable residents.
- \$4.5 million to hire school nurses to improve care coordination.
- \$2.6 million for the District's Sobering and Stabilization Center which will provide critical support to individuals experiencing an alcohol intoxication or drug overdose.
- **Internal Services**
 - \$1 million to reduce online administrative burdens and make the District's online presence accessible and easy to use.
 - Continued commitment to making sure DC facilities are accessible and reach compliance with the Americans with Disabilities Act.

Conclusion

The District's commitment to advancing racial equity is not limited to the FY 2023 Budget enhancements listed above. For example, ORE is working with twelve District agencies to pilot racial equity tools, complete a departmental assessment of racial equity, and develop racial equity action plans. Through the racial equity data standards pilot, ORE is collaborating with four District agencies to develop guidance on race and ethnicity data collection and analysis. Continued progress toward a racially equitable DC requires a whole-of-government approach, where each District government employee recognizes they have a role to play. Since ORE's establishment, more than 350 District agency managers have attended a racial equity training.

ORE looks forward to deepening its collaboration with OBPM in the FY 2024 budget formulation cycle in pursuit of equitable investment of District resources. In particular, ORE expects to collaborate more closely with agency budget teams in FY 2024 as they develop agency-wide plans to ensure all District government staff understand and are committed to achieving racial equity, engage in racially equitable human resources practices, meaningfully strengthen community partnerships, and commit to eliminating racial and ethnic inequities in the District.

