

Opportunities to Advance Racial Equity in Conference Budget

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THE
COMMONWEALTH
INSTITUTE

February 2020

What's included in the state budget communicates what and who the state values. That's why it's important to analyze how certain budget choices will impact different communities and whether these choices will further entrench barriers to equity or meaningfully dismantle them for people of color and families with low incomes across the state. Key initiatives in the budgets proposed by the governor, House, and Senate make several positive and meaningful steps that can help promote racial equity in Virginia.

With the House and Senate proposals now being considered by the budget conferees, legislators have the opportunity to choose the best options from each version in order to help advance racial equity and dismantle economic barriers.

This issue brief summarizes key initiatives in the areas of health care, education, housing, safety net programs, and immigration.

Healthcare

40-quarter rule — Eliminating barriers to health coverage

All three budgets eliminated the “40-quarter rule,” which required lawfully present immigrants to establish a 40-quarter (10 year) work history, concurrent with the federal five-year requirement, before qualifying for Medicaid. (Virginia is just one of six states with this additional barrier.) It is very likely the population that has been impacted by this policy are overwhelmingly people of color. Roughly 63% of adults who are non-citizens and may be eligible for Medicaid based on their income and time spent living in the United States are uninsured. Of that group, 83% are Latinx.

Reinsurance — Opportunity to lower premiums in the near future may be missed

Both the House and Senate budgets failed to meet the governor's proposal to fully fund and establish a state reinsurance program which was estimated to reduce premiums on the individual marketplace by 20%. While the House included funds to begin the program in FY22, the Senate removed funding from the program completely. There is still a chance for the program to be fully funded in the conference budget.

A premium reduction of that size would make coverage more affordable on the marketplace, allowing more families who don't qualify for federal subsidies on the ACA marketplace because they earn above 400% of the federal poverty line (FPL) to enroll in coverage. This is especially important for families of color. Although Latinx and Black individuals make up a small share of the population

that earn above 400% FPL in Virginia (6% and 13% respectively), together they make up a combined 40% of the population that earn more than 400% FPL and are uninsured. More people of color with moderate incomes would be better able to afford health coverage if mechanisms like a reinsurance program were put in place.

Maternal Health — Investments made for a healthier start for more families

All three budgets include funding to extend the duration of postpartum coverage for mothers who receive Medicaid/CHIP services from 60 days to 12 months, expand a voluntary home visiting service for new families, and to study the reimbursement of doula services through Medicaid.

The United States as a whole has seen maternal mortality rates more than double since 1999, and continuing disparities have come under scrutiny. A report from 2017 noted that Black women in the United States are roughly 2.6 times more likely than all women to die during pregnancy or within one year of pregnancy. There is a similar trend in Virginia — in the last decade for which there is available data, Black women in Virginia were 1.4 to 3.3 times more likely to die during pregnancy or within six weeks of the end of pregnancy than the total population.

Adult Dental Benefits for Medicaid - A long overdue investment

The Senate budget includes funding for a dental benefit for adults enrolled in Medicaid, who currently have no guarantee of dental care. Racial inequities in dental care have long-term consequences when considering Black older adults have more than twice the prevalence of tooth loss and untreated tooth decay than their white counterparts nationally. Oral healthcare is expensive and those without coverage identify cost as the biggest barrier to getting access. Ensuring adults in Virginia's Medicaid program have access to dental care will allow people of color across the state to meet their dental needs.

K-12 Education

At-Risk Add-On — Strong steps toward equity

All three proposals make much-needed improvements in the amount of resources that the state provides based on student need. Virginia's school funding is currently backwards — spending less per student in our highest poverty communities than our lowest poverty ones. This has a harmful impact on students of color who make up more than 80% of students in Virginia's highest poverty schools. Recent research demonstrates that increased investment in schools

has pronounced impacts on student outcomes — including higher graduation rates, higher adult wages, and a lower likelihood of adult poverty — and students from low-income households benefit most from increased spending.

English Learner Instructors — Modest improvement doesn't meet Va. Board's recommendations

The introduced budget funds one additional instructor for every 50 students who are English learners in both years of the budget. While the Senate also included this investment both years, the House does not reach this level of funding until the second year of the budget.

Every child should have access to an excellent education. Yet Virginia is failing to live up to this promise for English Learner (EL) students. Instructional staffing for English Learners is set in state law at 17 positions for every 1,000 students — equal to about 59 students per instructor. This is insufficient to provide every EL student the resources and support to reach positive outcomes. Insufficient staffing and resources is having clear consequences on the students as seen in SOL pass rates and on-time graduation rates, and this is especially true for EL students who are Latinx.

The Virginia Board of Education's newly prescribed Standards of Quality includes increases in EL instructor staffing. Further than simply increasing EL staff, it ties staffing ratios to student language ability, so students who need the most support get the most support. Fully funding the recommendations would have attained a ratio of 1 instructor for every 25 students at the lowest level of English proficiency.

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Counselors — Lighter caseloads still fall short of recommended standard of 1:250 ratio

The governor's proposed budget includes funds to reach the nationally recommended standard of one counselor for every 250 students. The House and Senate proposals both fall short of this standard, but both increase state funding for counselors compared to the current budget, with the House proposing a ratio of 1:325 and the Senate a ratio of 1:300.

Counselors have even been shown to improve school climate with regard to engagement, relationships, expectations, and safety. Access to counselors is linked to reductions in chronic absenteeism and

higher on-time graduation rates, which prepares students for future success. Schools with lower counselor-to-student ratios also have lower suspension rates, which is especially true for high-poverty schools. In Virginia, where students of color make up a large share of students in high-poverty schools, improving school counselor caseloads would be a step in advancing racial equity in the education system and would help to disrupt the school-to-prison pipeline.

Housing

Housing Trust Fund — Substantial investments in affordable housing

The governor and House proposed increasing state investment by \$56 million for the Housing Trust Fund, while the Senate proposes increasing it by \$46 million. The Fund creates and preserves affordable housing and aims to reduce homelessness in the state. Families of color in Virginia face historical and continuing barriers to home ownership, and as a result are less likely to own their own homes — 69% of white Virginia households own their home, but only 42% of Black households own their homes. And more than 3 in 10 Black households pay more than 30% of their income toward housing costs, compared to 2 in 10 white households. The numbers are similar for Latinx communities, who also face discrimination and are less likely to have inherited homes.

Eviction prevention — Proposals to create program funded at different levels

The governor and House proposed \$6.6 million to establish an Eviction Prevention and Diversion Pilot Program with the aim of reducing evictions throughout the commonwealth. However, the Senate has proposed reducing this funding by \$1.65 million in the first year. Analysis by the VCU Center for Urban and Regional Analysis has found that “neighborhood racial composition is a significant factor in determining eviction rates, even after controlling for income, property value, and other characteristics,” with Black neighborhoods having the highest eviction rates after controlling for other factors.

Temporary Assistance for Needy Families (TANF)

Cash assistance is increased and “family cap” is lifted

Both the House and Senate invested substantially in raising cash assistance levels and removing barriers to TANF for families with low incomes. This includes removing the “family cap,” which is rooted in racist and sexist ideas about Black women, and restoring cash assistance to be closer to mid-1990s levels after adjusting for inflation. The erosion of TANF cash assistance was also rooted in anti-Black rhetoric and politics. Improving access to and levels of assistance will help to dismantle some barriers to financial security for families of color in Virginia.

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Lifting of drug-felony ban

Both the House and the Senate included funds for lifting the drug-related felony ban for both TANF and SNAP recipients. Lifting the drug felony ban is a crucial part of advancing racial equity, because Black people are vastly overrepresented in the criminal justice system in Virginia and consequently more likely to be affected by the ban. Research has shown that lifting the ban helps people transitioning from incarceration to gain access to critical resources for themselves and their families. And although the children of returning citizens are still TANF- and SNAP-eligible, the loss of assistance for a parent means less resources for the entire family. Expanding eligibility to food assistance is a necessary, commonsense, and low-cost investment that would result in material benefits for families across the state.

Summer food pilot program — Some resources for students who are food insecure

The governor and House proposed \$12.5 million for a summer food pilot program for children from families with low incomes who lack access to nutritious food during the summer when they cannot receive meals at school. Throughout Virginia, there are 38 localities that have just one or no community sites providing meals to children during the summer. Research has shown that children who are the most food insecure tend to be children of color, and that similar summer food programs can reduce the most severe forms of food insecurity by one-third. Originally proposed to be a two-year program, the Senate reduces the program time span to one year and provides only \$2.3 million in funding.

Two-year time limit — Eliminated by Senate

The Senate funded the elimination of the two-year time limit on TANF eligibility. A time limit on eligibility means that a family can be taken out of the program before they're able to cover the basics on their own. Due to barriers such as job discrimination, Black families have a harder time than white families getting jobs that pay enough to support their children without assistance. Eliminating the time limit is an important part of making sure families can make ends meet and it advances racial equity.

Higher Education

With rising tuition costs, students who face the largest economic and racial barriers to higher education are impacted the most. Tuition assistance is a critical part of increasing affordability and access for low-income students and students of color. Overall, each budget proposal takes steps in advancing racial equity, though each reflects different priorities.

G3 Program — Governor's proposal sees less funding in House and Senate

The governor's introduced budget includes \$145.1 million for a "Get Skilled, Get a Job, Give Back" program, which provides tuition assistance for students who have low income, qualify for in-state tuition, enroll in select pathways at two-year colleges, and meet certain other criteria. The House cut \$74.1 million and the Senate cut \$48.4 million from the governor's proposed program, yet included additional funds in other higher education programs.

Need-Based Financial Aid and College Affordability — Resources added to make college more affordable

The Senate added \$15.2 million above the governor's proposal for need-based financial aid for in-state undergraduate students. Increases in need-based aid are especially important for students who are Black, Latinx, or low-income. The average tuition and fees at public four-year universities accounted for 25% of median household income for Black families and 19% for Latinx families, while it only accounted for about 16% for white families and 12% for Asian families. For students from lower-income families, financial aid is a critical component of attending college. The House funded the governor's proposed investment in financial aid and added \$111.8 million for in-state undergraduate affordability at public institutions that meet tuition freeze requirements for in-state undergraduate tuition and salary increases.

Historically Black Colleges and Universities (HBCUs) — Significant improvements for historically underfunded universities

The House and Senate fully funded the governor's proposed investments in HBCUs. Overall investments include continuation of the Spartan Pathways and First-Day Success programs at Norfolk State University (NSU), implementation of UTeach programs at NSU and Virginia State University (VSU), IT upgrades, and increases in undergraduate student financial assistance. Additionally, the House budget includes \$500,000 for the Center for African American Policy at Norfolk State University and \$1 million to establish a Center for African-American History and Culture at Virginia Union University.

These investments are needed because HBCUs in Virginia are historically underfunded. HBCUs overwhelmingly serve students of color who are low-income, first generation college attendees. These students often need additional resources like financial aid, creating a larger need for funding. HBCUs also have smaller endowments compared to predominantly white institutions.

Additional investments — Universities with high shares of students of color get funding boost

Both the House and the Senate invested additional funds above the governor's proposal in public colleges and universities with the most students of color (over 50% of total enrollment). The House provided an additional \$6.1 million, and the Senate provided \$3.2 million more. This includes \$5.0 million from the House for enhancing research at George Mason University and \$3.5 million from the Senate for need-based financial aid at GMU. The Senate contributed substantially towards general operating support for Virginia Commonwealth University at \$11.4 million.

However, the Senate reduced funding from the governor's proposal for NSU's student affordability pilot program by \$1.4 million and funding for VCU's Massey Cancer Center by \$10 million. Both budgets reduced funding from the governor's proposal for Old Dominion University.

Lawmakers should leverage the budget's potential to expand equity, dismantle economic barriers, and create systemic change.

Office of New Americans

Establishes information clearinghouse for immigrant Virginians

The House fully funded the creation of the Office for New Americans and advisory board, while the Senate provided partial funding. Most of the responsibility of the Office would be directing people who are immigrants to existing local service providers and state agencies, and coordinating efforts for statewide and business economic, linguistic, and civic integration. Virginia is home to around 750,000 authorized immigrants, most of whom are not refugees or asylees and therefore are ineligible to receive services through the federally-funded Office of Newcomer Assistance. And most Virginians who would be helped are a diverse array of people of color. The funding of the Office demonstrates a strong step for racial equity by connecting new residents with essential services.

Black Virginia History

Different investments in portrayal of history

The governor and House both proposed \$2.5 million in funding for the Black History Museum and Cultural Center of Virginia in Richmond, as well as \$240,690 in additional funding to digitize and erect markers related to African American history and maintain African American cemeteries. The House added \$1 million to establish a Center for African-American History and Culture at Virginia Union University, \$100,000 for the preservation of the Woodville School in Gloucester, \$70,000 for the preservation of the Greensville County Training School, and \$50,000 for Saint Paul's College Museum and Archives. These investments represent the importance of examining how intentional past policy choices uphold structures of racism and inequity today, and provide the opportunity to more accurately portray Virginia's history — both the inequity that existed and the resistance and resilience that bolstered the Black community. It is important to note, however, the House also restored an earmark for cemetery maintenance for the United Daughters of the Confederacy, an organization that has been involved in spreading "Lost Cause" myths.

The Senate eliminated the proposed funding in the upcoming two-year budget for the Black History Museum in Richmond, instead providing funds in the current fiscal year through the caboose budget — \$700,000 for the Black History Museum and \$100,000 for the preservation of the Woodville School in Gloucester. (The Senate also reallocated \$2.4 million in funding for the Freedom House museum in Alexandria from the upcoming budget to the caboose bill, making it available to the museum sooner.)

Next Steps

The House and Senate budget proposals for Virginia for the next two years make some modest yet important steps to invest in dismantling the structural legacies of past racist policy choices. These are steps in the right direction, helping to build a Virginia where everyone has an opportunity to thrive. While far more work needs to be done in the future, including much more significant investments to tear down barriers for communities of color in the areas of education, health care, and housing, the remaining choices for this year still matter. Lawmakers should take advantage of the remaining days of legislative session and leverage the budget's potential to expand equity, dismantle economic barriers, and create systemic change.

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