


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: October 20, 2020

SUBJECT: Fiscal Impact Statement – Racial Equity Achieves Results (REACH)
Amendment Act of 2020

REFERENCE: Bill 23-38, Draft Committee Print as provided to the Office of Revenue
Analysis on October 19, 2020

Conclusion

Funds are sufficient in the proposed fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill's implementation will cost approximately \$1.4 million in fiscal year 2021 and \$5.5 million over the four-year financial plan period. The funding for the bill's implementation was included in the fiscal year 2021 Local Budget Act.¹

Background

The bill establishes formal institutions and training mandates to address racial equity² in the District government's policies, budgets, legislation, and interactions with constituents. The bill establishes the Office of Racial Equity (Office) as a subordinate office in the Office of the City Administrator. The bill designates the Office to be led by a Chief Equity Officer appointed by the Mayor who will lead the District's efforts to achieve its racial equity goals and will coordinate efforts across the District's Executive agencies. The bill requires the Chief Equity Officer to develop a multi-year Racial Equity Action Plan (Action Plan) by October 1, 2022 that serves as an accountability plan for each agency, reflecting their efforts to achieve racial equity in the performance of their duties. The Office should conduct accessible public engagement forums as part of the Action Plan development process. The

¹ Fiscal Year 2021 Local Budget Act of 2020, enacted August 31, 2020 (D.C. Act 23-408; 67 DCR 10629).

² The bill defines racial equity as the elimination of racial disparities such that race no longer predicts opportunities, outcomes, or the distribution of resources for residents of the District, particularly for persons of color and black residents.

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Chief Equity Officer should also review the feasibility of expanding the Action Plan to include contracting and procurement processes, hiring processes, and the capturing and sharing of racial equity data across agencies. The Office must update the Action Plan annually and include a report to the Mayor and the Council on its efforts to coordinate and further the District's racial equity actions, goals, and investments.

The bill requires the Office to establish a nine-member³ Racial Equity Advisory Board (Board) selected from District resident members of established public, nonprofit, and volunteer community organizations. The Board should meet quarterly and can be reimbursed for reasonable, Board-related expenses.

The bill also requires the Office to design and implement racial equity tools that agencies can use to incorporate racial equity into operations, budgets, programs, policies, and regulations by March 1, 2021. The racial equity tools should be designed to, at a minimum, help the Mayor identify strategic initiatives; develop metrics; track the impact of policy decisions based on race, gender, and ethnicity; and identify the unintended consequences of any policy or programmatic decisions. Beginning with the fiscal year 2022 budget submission to the Council, the Mayor should include a summary of how the annual budget advances racial equity and reduces disparate outcomes. The bill also requires the Mayor to develop at least one racial equity performance measure for each agency no later than fiscal year 2022.

The Office should also work with the Office of Human Rights and the Department of Human Resources to develop racial equity training materials, provide racial equity workshops for management employees, and provide online and in-person racial equity and inclusion courses for employees.

The bill establishes a five-member Council Commission on Racial Equity, Social Justice, and Economic Inclusion (Commission) to examine issues of racial equity, social justice, and economic inclusion in governance, identify best practices in other jurisdictions, and any other matters necessary to advise the Council on these issues. The Council should provide administrative support to the Commission. The bill also includes a sense of the Council that the Council should establish a Racial Equity Program to train Council staff and protocols for conducting Racial Equity Impact Assessments on legislation in its Council Period 24 rules.

Financial Plan Impact

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The Office will be housed within the Office of the City Administrator and will develop the Action Plan, build racial equity tools, and support the Office of Human Rights and the Department of Human Resources in the creation of racial equity training tools. The fiscal year 2021 budget includes six new employees in the Office of the City Administrator to establish and run the Office and perform each of its duties. These employees will cost approximately \$735,000 in fiscal year 2021 and \$2.9 million over the four-year financial plan period. The budget also includes approximately \$243,000 in fiscal year 2021 and \$799,000 over the four-year financial plan period to support administrative and other non-personnel costs at the Office of the City Administrator. The

³ Members should serve a term of two years and no more than three consecutive terms.

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Office of Human rights will help develop and implement the necessary training materials and programs and requires an additional employee to assist with these activities. This employee will cost \$105,000 in fiscal year 2021 and \$424,000 over the four-year financial plan period and requires approximately \$4,000 over the four-year financial plan period for administrative expenses.

The Council also needs resources to support the Commission and other racial equity, social justice, and economic inclusion initiatives at the Council. The budget includes funding for three employees and some administrative costs. The personnel costs are \$320,000 in fiscal year 2021 and \$1.3 million over the four-year financial plan period. The administrative costs are approximately \$9,000 in fiscal year 2021 and \$13,000 over the four-year financial plan period.

Racial Equity Achieves Results (REACH) Amendment Act of 2020					
Bill 23-38					
Implementation Costs					
Fiscal Year 2021 – Fiscal Year 2024					
(\$ thousands)^a					
	FY 2021^b	FY 2022	FY 2023	FY 2024	Total
Office of Racial Equity	\$978	\$920	\$924	\$927	\$3,749
Office of Human Rights	\$108	\$106	\$106	\$107	\$428
Council	\$329	\$321	\$321	\$321	\$1,294
Total Bill Costs	\$1,416	\$1,348	\$1,351	\$1,355	\$5,471

Table Notes

^a Numbers may not add due to rounding

^b Fiscal year 2021 includes some one-time administrative costs and combines personnel and non-personnel costs.