



WASHINGTON STATE BUDGET & POLICY CENTER

# FACING RACE // 2015

WASHINGTON COMMUNITY ACTION NETWORK



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# INTRODUCTION

A basic American principle is that prosperity and happiness are deserved, earned, and equally achievable. However, we all tacitly agree that, while that notion is noble, the reality of our history and the condition of our communities tells quite a different story. Black men fill our prisons. Latinos are exploited for cheap labor. Native communities are left to decay. Inequity exists, and though we wish it not to, it has existed for generations and is the legacy of a system built long before our births. But the consequences are dire if we delay eliminating those inequities or accept them as the side effects of progress. We waste generations of potential and sully the progress we have made.

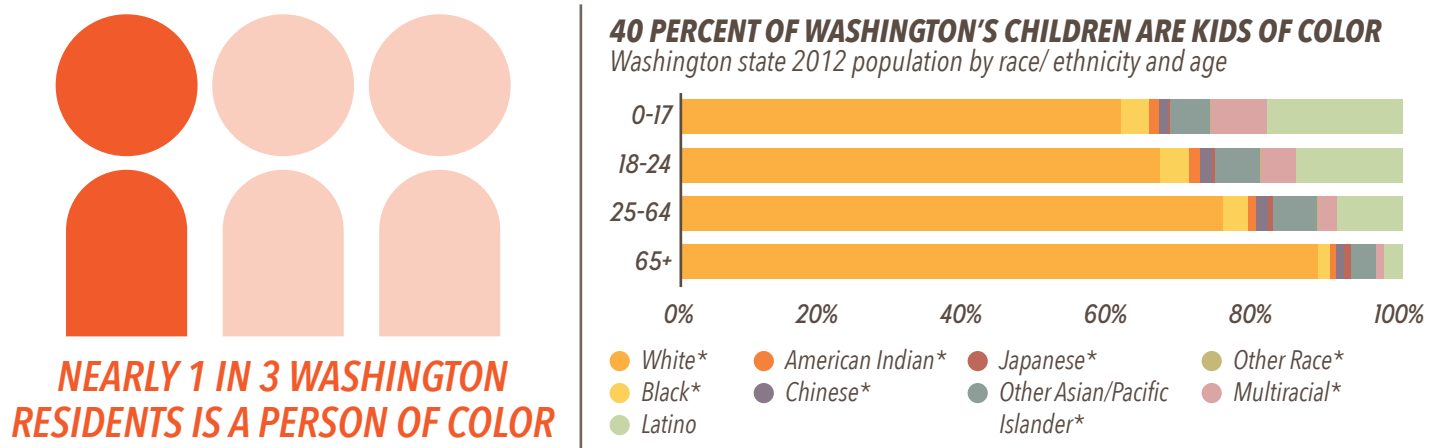
Washington state legislators play a critical role in undoing inequities for communities of color. One of the biggest tasks our state faces is closing the inequities that our children face depending on their race, ethnicity, income, and where they live. This is often referred to as the “opportunity gap.” The State Supreme Court ruled that our state is not meeting its constitutional duty of fully funding K-12 education. Additionally, the severe budget cuts our lawmakers implemented during the most recent recession disproportionately harmed communities of color, driving already economically disenfranchised communities even deeper into poverty. While we are on the road to economic recovery, the opportunity to rebuild is not shared equally with

communities of color. Our legislators must restructure our institutions so that all communities can lay the foundations for equal access to prosperity, justice, and vitality for all.

Washington state’s population is becoming more racially diverse (Figure 1). Three decades ago, just one in every 10 people were of color. Of the 6.8 million people living in Washington state today, nearly one in three is a person of color. Washington state is following national demographic shifts. By 2018 children of color will be a majority of children in the United States. And by 2030, the majority of the U.S. labor force will be people of color.<sup>1</sup> Letting any group fall behind is detrimental to the prosperity our state.

For this reason, it is imperative that all legislators understand how their decisions affect communities of color and that they strive to eliminate inequities where they exist.

**FIGURE 1:**  
**WASHINGTON STATE IS BECOMING MORE RACIALLY DIVERSE**



Source: BPC analysis of Integrated Public Use Microdata, 2012 American Communities Survey; 1yr and 5yr data; \*Non-Hispanic

Over the last five years, the state legislature cut over \$10 billion from the budget. Those cuts have come at the expense of Washington state's core health and human services, education, and community safety structures. The human toll of budget cuts is undeniable:

- **15,000 children have had their food assistance reduced.**
- **20,000 people who cannot work due to a disability saw their income support disappear.**
- **Over 35,000 parents and children have lost supports that help them weather difficult financial times and find employment.**
- **Washington state public colleges and universities have implemented the second-largest tuition increase in the nation, making it harder for students to afford college.**

Even as the economy begins its slow recovery, the gains are not being shared evenly. Washington state was one of just three states where poverty increased between 2012 and 2013. One in seven (14.1 percent) Washington residents now live in poverty. This is up from 13.5 percent in 2012 (Figure 2).<sup>2</sup> Policymakers should pursue strategies to support an economy that works for all Washingtonians.

The Facing Race Report represents the legislative agenda of over 50 organizations and institutions across the state. Our common mission is to eliminate inequities for communities of color so that all Washingtonians have a path toward prosperity and happiness. Through this report and our work in communities of color, we hope to help lawmakers consider how their decisions affect communities of color and encourage them to actively pursue legislation and budget decisions that undo racial inequity. While institutional racism is deeply embedded in our state, we believe that our legislature can take huge steps forward in achieving racial and economic justice by implementing the recommendations in this report. We urge lawmakers to join us in making Washington a just state for all.

FIGURE 2:



**14.1 percent of WA residents lived in poverty in 2013, up from 13.5 percent in 2012**

Source: BPC analysis of 2013 ACS 1-year data

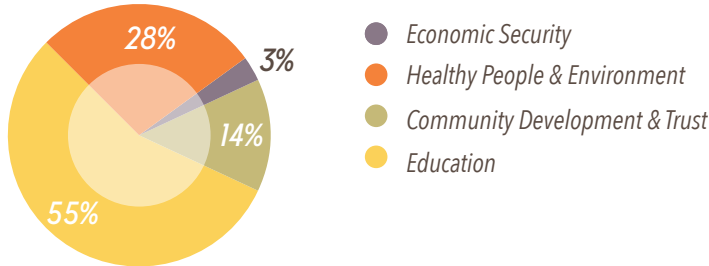


# THE STATE BUDGET IS A REFLECTION OF OUR VALUES

**FIGURE 3:**

## STATE BUDGET INVESTMENTS BY VALUE

Total State Near General Fund + Opportunity Pathways and Federal ARRA, by value area; FY 2014

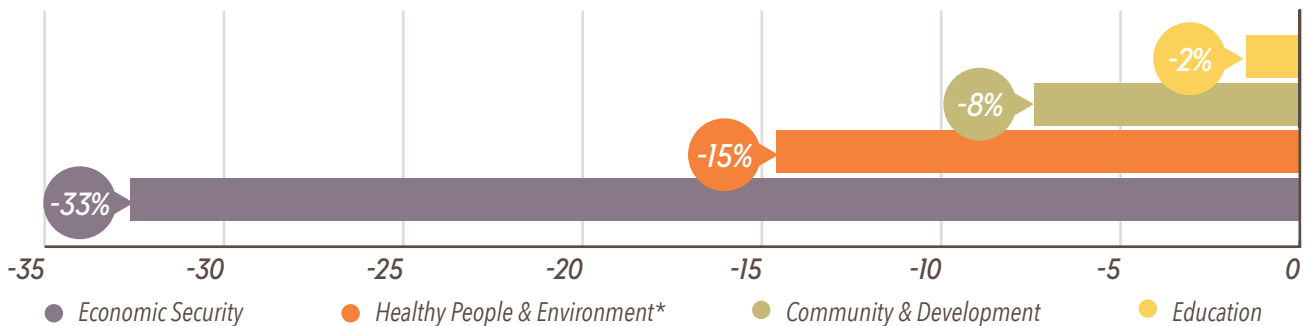


BPC analysis; data from LEAP

**FIGURE 4:**

## INVESTMENTS IN OUR SHARED VALUES HAVE BEEN WEAKENED

Percentage Change in State Near General Fund + Opportunity Pathways and Federal ARRA by value area, compared to fiscal year 2008 levels, adjusted for inflation



BPC analysis; data from LEAP; \*Budget savings from Medicaid expansion are not reflected

How we spend our money is a reflection of our values and priorities. It's the same with the state budget. How lawmakers choose to spend state resources affects how well we can educate our children, maintain the health and well-being of our families, and build our economic future. Far more than just an accounting exercise, our state budget determines the well-being of Washington state.

Figure 3 illustrates how the state currently invests its resources. Over half of all state spending supports educational opportunities, an important priority that is a key to our state's economic strength and vitality. But only three percent goes towards another foundation of our well-being: helping people weather difficult financial times and stay economically secure.

The Great Recession was devastating for our state. Record-high unemployment and home foreclosures forced Washingtonians to drastically cut back on personal spending, which in turn caused our state revenues to plummet. Lawmakers had tough decisions to make about how to respond. Rather than taking a balanced approach that included a reasonable amount of new revenue, they chose to rely on cuts. They slashed the very investments needed to keep our economy afloat, support Washingtonians during their greatest time of need since the Great Depression, and lay the groundwork for a strong recovery (Figure 4). Since the start of the Great Recession, lawmakers have made over \$10 billion in cuts to basic public services such as health care, job supports, and food assistance.

# DEFINITIONS

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**Equity** – Equal access to opportunities and participation in governance across race, gender, and class with a focus on outcomes.

**Equality** – A measure of equal treatment. The American legacies of racial oppression and the resulting generational effects mean that equal treatment in and of itself is not enough to ensure equal access to opportunity and participation in governance.

**Racial Justice** – The elimination of racial disparities resulting from interpersonal, institutional, and structural racism. Equitable outcomes are a central focus of racial justice.<sup>3</sup>

**Interpersonal Racism** – Occurs between a few individuals, such as the use of racial epithets. This is the type of racism most people are familiar with.<sup>4</sup>

**Institutional Racism** – Occurs when racial disparities are created, facilitated, and/or made worse by institutions such as public schools, hospitals, prisons, and corporations. It is worth noting that institutional racism is not necessarily intentional; something may be neutral on its face, but produce disparate outcomes. For example, banks may not intend to target people of color with higher interest rate loans. However, multi-generational poverty means that riskier loans are disproportionately offered to people of color.<sup>5</sup>

**Structural Racism** – The interaction of disparate outcomes across institutions. Structural racism normalizes and legitimizes racial disparities and is the result of different levels of racism (historical, cultural, institutional, and interpersonal) occurring through all facets of society.<sup>6</sup>

**Racial Disparities** – Differences in measurable societal outcomes based on race. These disparities are rooted in unfairness and injustice and are perpetuated by policies and practices with racial bias (whether intentional or not).

**Opportunity Gap** – Social and institutional barriers that inhibit equal opportunity to succeed in the public school system.<sup>7</sup>

# ECONOMIC SECURITY



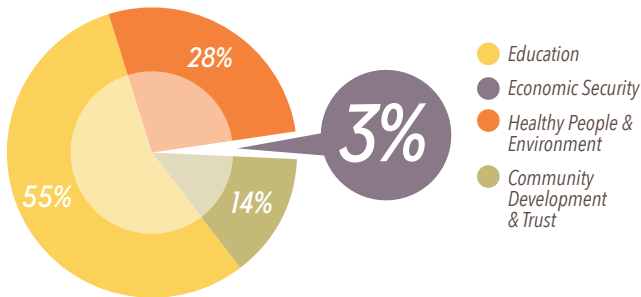
## BUDGET SNAPSHOT

Investments in economic security, such as nutritional assistance and help for the disabled, make up the smallest share of the budget (Figure 5). Despite the minimal amount of state resources devoted to keeping families and individuals secure during financial hardship, these supports took the biggest hit in the wake of the recession, right when the economy was at its worst.

Investments in economic security have plummeted by 33 percent since the recession, adjusting for inflation. Damaging cuts have left many Washingtonians without basic support, like food and child care, to meet their needs.

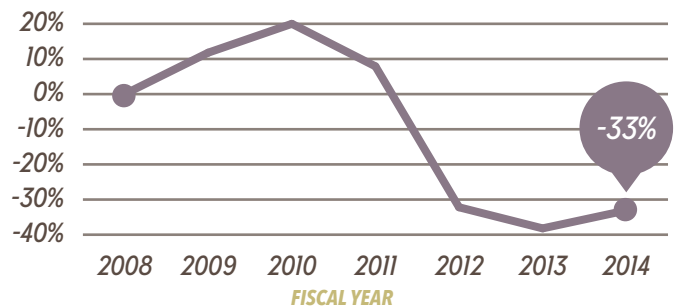
The bump in funding between 2009 and 2011 is from the influx of federal funding through the American Recovery and Reinvestment Act (ARRA), which injected over \$200 million into economic security investments (Figure 6). Without that funding, cuts would have been significantly worse.

**FIGURE 5:**  
**STATE BUDGET INVESTMENTS BY VALUE**  
Total State Near General Fund + Opportunity Pathways and Federal ARRA, FY 2014



Source: BPC analysis; data from LEAP

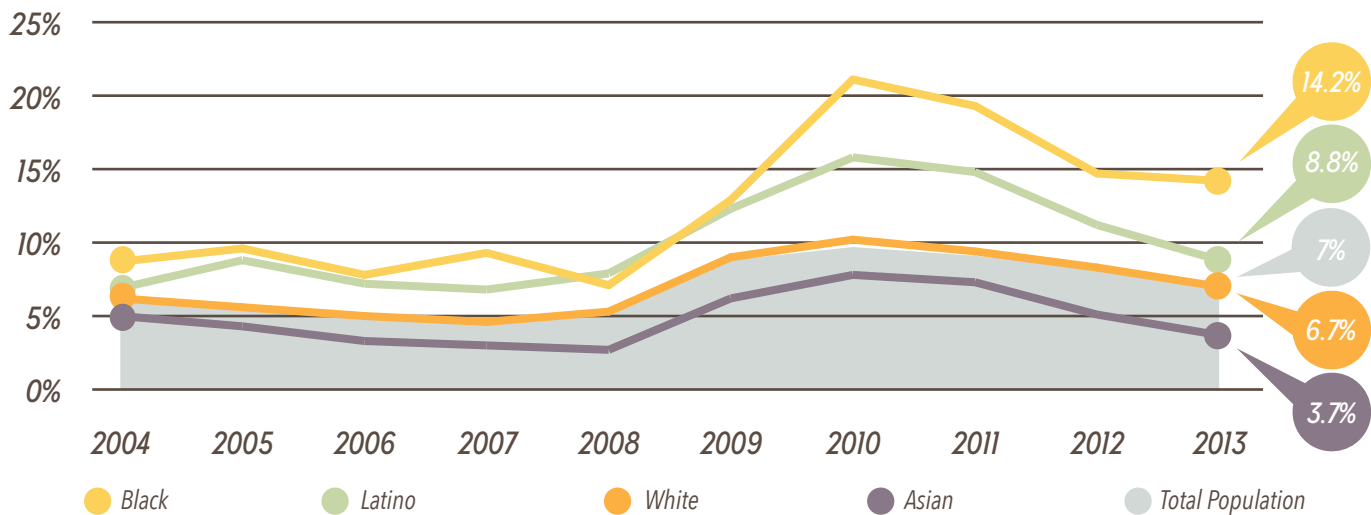
**FIGURE 6:**  
**SPENDING ON ECONOMIC SECURITY**  
Percentage Change in State Near General Fund + Opportunity Pathways and Federal ARRA spending on Economic Security compared to Fiscal Year 2008 Levels, adjusted for inflation



Source: BPC analysis; data from LEAP

**FIGURE 7:****BLACK AND LATINO WASHINGTONIANS ARE MORE LIKELY TO BE OUT OF WORK**

WA state unemployment rates by race/ethnicity; 2004-2013



Source: BPC analysis; data from BLS, Local Area Unemployment Statistics

For a prosperous Washington state economy, all Washingtonians must have jobs that pay decent wages and keep them out of poverty. And when the economy dips and jobs are scarce, families need safety nets to ensure that their basic needs are met while they seek new employment. Investments in economic security give Washingtonians an opportunity to join the middle class and stay there.

The enduring harm inflicted by our country's history of racial discrimination means people of color have fewer opportunities to get jobs, build wealth, and become economically secure. The economic struggles of people of color reach into all aspects of life, from housing to nutrition to reliable transportation. The Great Recession illuminated racial disparities, shattering the economic security of low-income communities and people of color more than any other group.

In 2010 when unemployment was at its highest, 10 percent of our state's working-age population was out of work. As Figure 7 shows, the situation was worse for Latinos (15.8 percent unemployment) and twice as bad for Blacks (21.1 percent).

Even as the job market is beginning to rebound, the recovery is not a reality for everyone. Black and Latino residents remain unemployed at much higher rates than the rest of the population. The unemployment rate for Black Washingtonians in 2013 was 14.2 percent, more than double the rate of the total population and higher than the peak of total unemployment in 2010.

Lawmakers can take steps to remedy these disparities by replenishing investments in services that help people find and keep jobs and by strengthening policies that ensure all jobs pay enough for families and individuals to make a living



### SUPPORT JOB OPPORTUNITIES FOR ALL WASHINGTONIANS

**Strengthen Temporary Assistance for Needy Families and restore cuts, particularly the 15 percent cut to cash assistance**

Temporary Assistance for Needy Families (TANF) helps struggling parents find jobs and achieve economic security by providing essential services such as child care, health coverage, employment and education services, and modest income support to cover rent, utilities, and other basics.

TANF provides support to an important segment of our workforce. But recent cuts have made it far less effective. Just when the economy was at its worst, lawmakers limited the amount of time struggling families can receive benefits, limited access to child care, cut monthly income assistance by 15 percent (to \$478 from \$562 for a family of three), and imposed other restrictions and reductions to services, making it harder for families to meet their children's needs while they look for work (Figure 8).

**FIGURE 8:**  
**TANF ASSISTANCE HAS BEEN CUT BY 15%**



Source: Department of Social & Health Services; amount for a family of three

Cuts to TANF disproportionately harm people of color, and particularly women and children. Approximately 47 percent of TANF recipients are people of color.<sup>8</sup> Children make up 70 percent of the caseload and are cared for primarily by women (3 out of 4 adults on TANF are women).<sup>9</sup>

Strengthening supports like TANF that help parents find and keep a job is necessary to our economic recovery and keeping families secure.

### GIVE WORKERS PAID TIME OFF WHEN THEY ARE SICK

**Require employers to offer paid sick leave**

It's common sense that when workers get sick, they should stay home. This prevents the spread of illness, helps ailing workers avoid a more serious health problem, and keeps productivity from declining in the long run. But for the one million workers in our state whose employers do not provide paid sick leave, staying home when sick means losing a day's wages, and can sometimes mean losing their job. A large portion of those workers are in occupations that require frequent contact with the public: 17 percent work in accommodation and food service, 16 percent work in retail, and nine percent work in health care and social services.<sup>10</sup>

The availability of paid sick leave differs widely by occupation and income, as well as by race and ethnicity. Nationally, only about one in five workers who earn less than \$14,999 annually have paid sick days, whereas nine in 10 workers earning \$65,000 or more have paid sick leave (Figure 9). Less than half (49 percent) of Latino workers have access to paid sick days, compared to 61 percent of the total population.<sup>11</sup>

Equal access to paid sick leave promotes healthy and safe work environments, which are good for the economy, workers, and businesses.

**FIGURE 9:**  
**AVAILABILITY OF PAID SICK LEAVE DIFFERS WIDELY BY INCOME**



Source: Institute for Women's Policy Research

## INCREASE THE MINIMUM WAGE

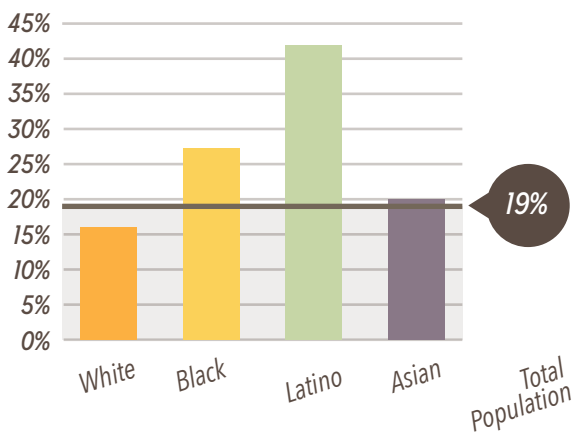
*Raise the state's minimum wage to at least \$12/hour*

Ensuring that all workers share in economic growth is one way to reverse widening economic inequality and begin rebuilding the middle class. When people can make enough money to maintain basic needs, the economy and all of our communities benefit.

*“Even though Washington state has the highest minimum wage in the country, a full-time worker supporting a family of three on a minimum wage job would still be living in poverty.”<sup>12</sup>*

A disproportionate share of minimum wage workers are people of color. They represent 46 percent of those earners but only make up 26 percent of the entire workforce.<sup>13</sup> Increasing the minimum wage to at least \$12 an hour from the current \$9.32 would benefit over half a million Washingtonians, including over 42 percent of the Latino workforce and 27 percent of the Black workforce (Figure 10).

**FIGURE 10:**  
**TWO OUT OF FIVE LATINO WORKERS EARN LESS THAN \$12/ HOUR**  
Percentage of workers earning less than \$12/hr by race/ethnicity; 2012-2013



Source: BPC analysis of EPI Analysis of Current Population Survey, Outgoing Rotation Group public use microdata from 2012Q4 through 2013Q3



### CONSUELO GOMEZ

*My name is Consuelo Gomez, and I am a small business owner who supports increasing the minimum wage. I own a janitorial company that employs many immigrants and people of color. While the margins of my business are small, I believe that anyone who works full time should be paid a decent wage and not have to live in poverty.*

*An increase in the minimum wage is good for Washington state and for communities of color. People of color and women disproportionately have low-wage jobs. An increase in the minimum wage means that people of color like my employees can save, go to school, start their own businesses, and put money back into the economy.*

*I believe that the Washington state legislature should increase the minimum wage. It would begin to close the income gap between whites and people of color. Most importantly, it would provide more opportunities for those in poverty to be able to work their way out of it.*

### PROTECT WORKERS FROM WAGE THEFT

*Protect workers by curbing wage theft and the misclassification of employees; requiring employers who violate the law to pay triple damages; and protecting employees from retaliation*

Thousands of workers in our state are victims of illegal under-payment or non-payment of wages by their employers. This unscrupulous practice is known as “wage theft.”

**FIGURE 11:**



Source: BPC analysis; data from Washington State Department of Labor & Industries

Since 2006, the Washington state Department of Labor & Industries has returned approximately \$13 million in unpaid wages to nearly 20,000 workers. Over half (54 percent) of the wage complaints between 2007 and 2014 have occurred in lower-wage industries such as food service, construction and building maintenance, and services (such as pool cleaning).<sup>14</sup>

Misclassification of workers as “independent contractors” is another practice used by employers to deny workers access to minimum wage, overtime pay, and family and medical leave. Many victims of these harmful practices are low-income workers. The loss of even a small amount of wages can impede their ability to pay rent and afford food, health care, or other essentials. These losses fall heavily on people of color who disproportionately work in low wage jobs.<sup>15</sup>

Cracking down on deceitful employment practices will level the playing field for employers who play by the rules and protect workers from losing hard-earned wages.

### HELP PEOPLE MEET THEIR BASIC NEEDS

*Fully restore State Food Assistance*

*“No child should go hungry. But over 15,000 children in our state were the target of a budget cut that made it harder for them to get adequate food and nutrition simply because of their family’s immigration status, which children do not control.”<sup>16</sup>*

In 2012, lawmakers cut food assistance to documented immigrant families to half the amount received by all other families. One year later, the cut was partially restored, to 75 percent of the full amount.

Hunger can make it difficult for a child to concentrate and perform well in school, increase their risk of illness and prolong recovery, and make children more susceptible to obesity and its harmful health consequences.<sup>17</sup> Putting immigrant children and families at greater risk of hunger raises the already high hurdles to opportunity faced by children of color and puts our economic future at risk.

### EXPAND ACCESS TO AFFORDABLE HOMES

*Make a significant investment in the Housing Trust Fund in the capital budget and prevent landlords from refusing to rent to someone based solely on their use of a housing voucher or another legal source of income*

The most recent count of homeless people, on one night in January 2014, found 18,839 people across the state.<sup>18</sup> The Office of Superintendent of Public Instruction counted 30,609 homeless students during the 2012-13 school year.<sup>19</sup> Among extremely low-income households in Washington, nearly 140,000 pay more than half their income for housing, leaving little left over for other basics like food, medicine, and child-care.<sup>20</sup> This adds to the risk of becoming homeless.

Homelessness disproportionately affects communities of color. In 2012 in Seattle, one in ten African-American and American-Indian public school students were homeless. During that period just one in 71 white students experienced homelessness.<sup>21</sup>

The State Housing Trust Fund (HTF) is the primary tool Washington uses to expand the availability of affordable homes to low-income households. HTF creates affordable housing for homeless families, farmworkers, veterans, seniors, and people with disabilities. The state's investment in the HTF in the current two-year budget is the lowest since the 2001-03 budget.

The state can do more to both create affordable housing and ensure equal access to it. People who use subsidies such as housing vouchers to afford rent are frequent victims of discrimination from landlords. While housing discrimination based on race, family status, and other factors is illegal, refusing to rent to someone because they rely on a subsidy or housing voucher can be a proxy for illegal discrimination and can disproportionately impact communities of color.

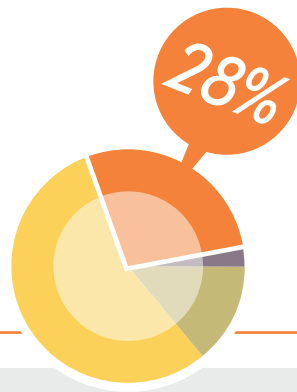
Two housing support programs, the Housing and Essential Needs (HEN) and Aged, Blind, and Disabled (ABD) programs, serve many people of color. Nearly 30 percent of people receiving HEN and 39 percent of people receiving ABD are people of color.<sup>22</sup> For these programs to work effectively to reduce racial inequity in access to housing, potential tenants must be protected from discrimination.

FIGURE 12:



Source: Washington State Department of Commerce, Office of Superintendent of Public Instruction, National Low Income Housing Coalition.

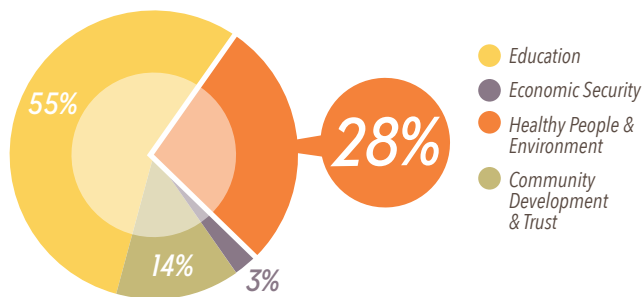
# HEALTHY PEOPLE & ENVIRONMENT



## BUDGET SNAPSHOT

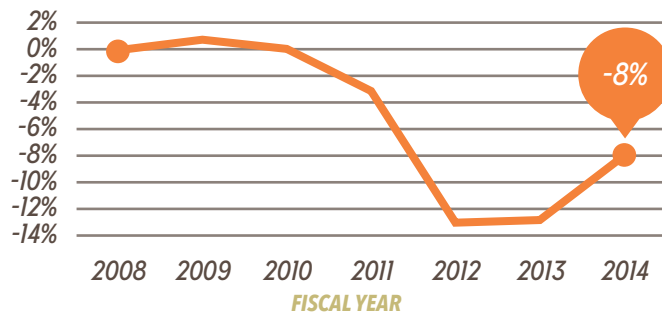
State spending on Healthy People & Environment makes up the second-largest share of state spending (28 percent). Although investments in health are sizable, they fell dramatically between 2011-2013 as lawmakers chose to eliminate health care for some Washingtonians and cut back on many health services such as dental care and medical devices. In 2014, health care funding slightly rebounded due to the influx of federal funding from the expansion of Medicaid, but still remains 8 percent below pre-recession levels, once adjusting for inflation (Figures 13 and 14).

**FIGURE 13:**  
**STATE BUDGET INVESTMENTS BY VALUE**  
Total State Near General Fund + Opportunity Pathways and Federal ARRA, FY 2014



Source: BPC analysis; data from LEAP

**FIGURE 14:**  
**SPENDING ON HEALTHY PEOPLE & ENVIRONMENT**  
Percentage Change in State Near General Fund + Opportunity Pathways and Federal ARRA spending on Healthy People & Environment compared to Fiscal Year 2008 Levels, adjusted for inflation\*



Source: BPC analysis; data from LEAP; \*Reductions to spending from Medicaid Expansion are not reflected; total Medicaid expansion savings are divided in half to reflect FY 2014 levels

Healthy people and a healthy environment are central to a good quality of life. People need access to high-quality, affordable health insurance, a full range of health care services, clean air, and safe drinking water. When more people in our state are healthy we all benefit—from less communicable disease, reduced health care costs, and a more productive workforce.

However, good health is not equally enjoyed by everyone. People of color are much more likely to experience disease and poor health. The legacy of unequal access to quality, affordable, culturally-appropriate health care, and their disproportionate exposure to environmental risk factors continues to risk the health and well-being of people of color.



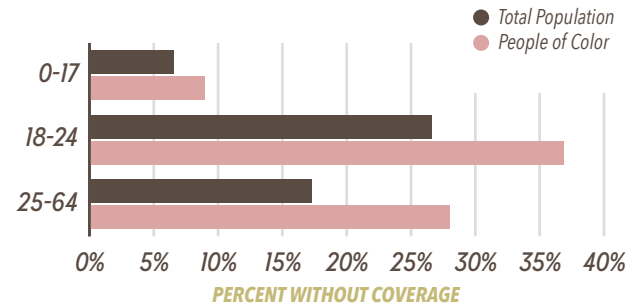
The most recent data on health care coverage reflects these disparities. Across all age groups, people of color are less likely to be covered by health insurance than the overall population. Nearly one in three Latinos and one in four American Indians and Alaskan Natives lack coverage (Figure 16).

Public investments have dramatically increased coverage and reduced coverage disparities among races and ethnic groups when it comes to children (Figure 15). In 2007, our state adopted the Apple Health for Kids program, providing comprehensive health coverage options to all children in the state. Now, 94 percent of children in our state have health coverage. And the gap in coverage rates between kids of color and all kids is under three percentage points.<sup>23</sup>

With implementation of the Affordable Care Act (ACA) underway, we are seeing significant increases in the number of people with health coverage. In Washington state, the ACA is making affordable health coverage available to nearly 700,000 Washingtonians. Over half (352,000) of those gaining coverage are low-income Washingtonians who newly qualify for Medicaid, thanks to our state's decision to expand Medicaid for families and individuals with annual incomes up to 138 percent of the federal poverty level, or \$27,310 for a family of three.<sup>24</sup> About 30 percent were previously eligible for Medicaid and recently enrolled. The remainder (148,000) have purchased coverage through the Exchange, a new marketplace for private health plans for individuals, families, and small businesses. Individuals and families with incomes up to 400 percent of the federal poverty level (\$79,160/year for a family of three) are eligible for tax breaks to help them afford coverage in the Exchange.<sup>25</sup>

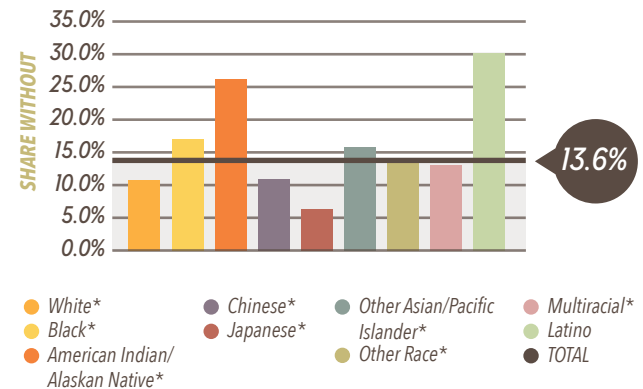
The state should build on this success by strengthening and broadening health coverage so that all Washingtonians have access to affordable, comprehensive care.

**FIGURE 15:**  
**MOST CHILDREN HAVE HEALTH COVERAGE**  
Percent of Washingtonians without health coverage by age; all Washingtonians compared to Washingtonians belonging to a racial minority, 2012



Source: BPC analysis of Integrated Public Use Microdata, 2012 American Communities Survey; 5yr data

**FIGURE 16:**  
**PEOPLE OF COLOR ARE LESS LIKELY TO HAVE HEALTH CARE**  
Percentage of Washingtonians without health coverage by race and ethnicity; 2012



Source: BPC analysis of Integrated Public Use Microdata, 2012 American Communities Survey; 5yr data; \*Non-Hispanic

### INCREASE ACCESS TO AFFORDABLE HEALTH COVERAGE

#### Implement the Basic Health Option

While the Affordable Care Act has made health care accessible to a vast number of people in our state, many still find coverage unaffordable and some remain excluded altogether. Approximately 140,000 Washingtonians with incomes slightly above Medicaid's eligibility cutoff (between 138-200% FPL) will struggle to afford coverage in the Exchange, even with tax breaks.<sup>26</sup>

*"And 14,000 lawfully present immigrants and refugees have fallen through the cracks because they are ineligible for Medicaid coverage."*<sup>27</sup>

Washington state can provide affordable coverage for these Washingtonians by implementing the Basic Health Option (BHO). An optional program within the Affordable Care Act, the BHO would be offered in lieu of the Exchange for households with incomes between 138 and 200 percent of poverty, or between about \$27,310 and \$39,580 annually for a family of three.<sup>28</sup> Documented immigrants with low incomes, currently ineligible for Medicaid, would be qualified to obtain coverage as well.

This option would allow our state to bundle federal exchange subsidies and use them to purchase coverage for low-income Washingtonians, at a cost that is affordable for the state.

### GUARANTEE ACCESS TO REPRODUCTIVE HEALTH CARE

#### Pass the Reproductive Parity Act

Women of color and immigrant women often have fewer options when accessing medical care due to disparities in health coverage and economic opportunity. When it comes to pregnancy, women need to have control over their decisions.

Every carrier and nearly every health care plan in Washington currently covers abortion. The Reproductive Parity Act would keep it that way, requiring insurance plans that cover maternity care to cover abortion care. This would ensure that all Washington women who have insurance will have the coverage they need to make the right choice for themselves and their families.



### Hugo Barrio Donis

*My name is Hugo Barrio-Donis. I am originally from Guatemala and have lived in the United States for five years. I studied graphic design in Guatemala. Since the recession, work in my field is hard to find, especially for someone for whom English is a second language. I was able to find part-time work in the produce department at Whole Foods.*

*Whole Foods does not provide part-time workers with health insurance. Thankfully, I qualified for Medicaid just a few months ago because I have been a legal permanent resident in this country for five years. However, some of my brothers have not yet reached the five-year mark and are unable to access Medicaid. I have massive amounts of medical debt from medical emergencies before I was insured, so I constantly worry about what we would do if something bad were to happen to my brothers. We are barely getting by as is.*

*If the Basic Health Option passes, my whole family could take comfort in not only having coverage in case of emergencies, but we could also have access to regular doctors' visits and preventative care.*

### INCREASE ACCESS TO DENTAL CARE

*Expand the dental workforce to include affordable mid-level dental providers*

Over 700,000 Washington children have health coverage, including dental coverage, through the Apple Health for Kids program.<sup>29</sup> But many of those children are unable to get dental care due to a shortage of dental providers across the state, and the small number of providers who will accept kids covered by the state's health plan. In 2009, 34 of Washington's 39 counties had shortages of dental health professionals.<sup>30</sup>

*"Children from poor families are 44 percent more likely to have tooth decay by third grade than children from middle- to high-income families. Children of color are 18 percent more likely to have tooth decay than their white peers."*

(Figure 17)

Untreated tooth decay can cause speech and development problems for kids, missed school days and difficulty learning, and costly treatment into adulthood.<sup>31</sup>

Expanding the dental workforce to include "mid-level dental providers" is a proven way to increase access to dental care and reduce disparities. Like physician assistants or nurse practitioners, licensed dental practitioners can work as part of the dental team to make care more available to people across the state.

Mid-level dental providers are also an economical approach—they cost about \$0.30 for every dollar they generate in funding to cover dental care. Because the reimbursement value of the care provided exceeded their cost of employment, two dental therapists in Alaska provided care to over 1,300 patients in 2012, at a net cost benefit of \$215,000 to the state.<sup>32</sup>

### ENSURE A HEALTHY ENVIRONMENT FOR ALL

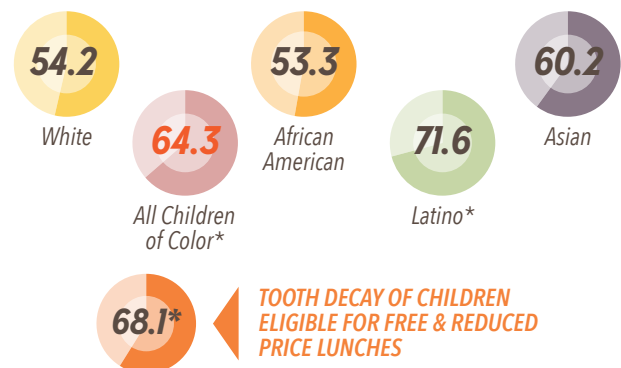
*Reduce carbon emissions and invest in equity*

Carbon emissions have a disproportionate impact on low-income communities, communities of color, and rural communities.<sup>32</sup> These communities are more likely to live in areas with lower air and water quality, and in homes where flooding, fires, and other natural disasters are becoming more common.

All Washingtonians — especially those with lower incomes and people of color — are essential partners in the movement to address climate change. Nearly one-third of Washingtonians — 2 million people — get by on incomes of less than \$23,340 for an individual or \$39,580 for a family of three.<sup>34</sup> A disproportionate and growing share of them are people of color.

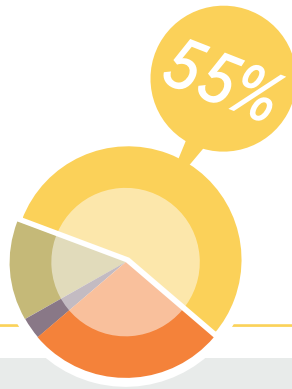
Climate change policies that do not address rising income inequality are less likely to achieve sufficient reductions in carbon emissions. That's because raising the cost of carbon emissions, the key to reducing them, will also have consequences that are uneven across the economic spectrum. Washingtonians with lower incomes simply cannot afford to reduce their reliance on carbon-intensive energy sources. Without help, it will be especially difficult for people with fewer social and economic resources to make the expensive investments in low-carbon technologies that are necessary to make a state-level climate program a success.

**FIGURE 17:**  
**TOOTH DECAY MORE PREVALENT IN LOW-INCOME CHILDREN AND KIDS OF COLOR**  
*Percentage of tooth decay in primary and/or permanent teeth of Third Graders Screened*



Source: Washington State Department of Health, Oral Health Program; Washington State Smile Survey, 2010. \*Statistically significant different from reference group at 0.05 level

# EDUCATION

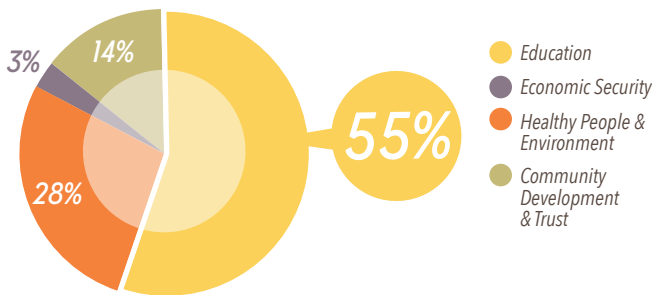


## BUDGET SNAPSHOT

State investments in education make up the largest share of the budget (55 percent). While lawmakers cut opportunities for education in the wake of the recession, spending has largely rebounded in the last year. That's primarily due to the State Supreme Court's ruling in the *McCleary* case that ordered the state to significantly boost investments in K-12 schools. In the 2013-15 budget, lawmakers invested about \$1 billion in basic education (Figures 18 and 19).

While K-12 investments are rebounding, funding to keep college affordable is still 20 percent below pre-recession levels.

**FIGURE 18:**  
**STATE BUDGET INVESTMENTS BY VALUE**  
Total State Near General Fund + Opportunity Pathways and Federal ARRA, FY 2014

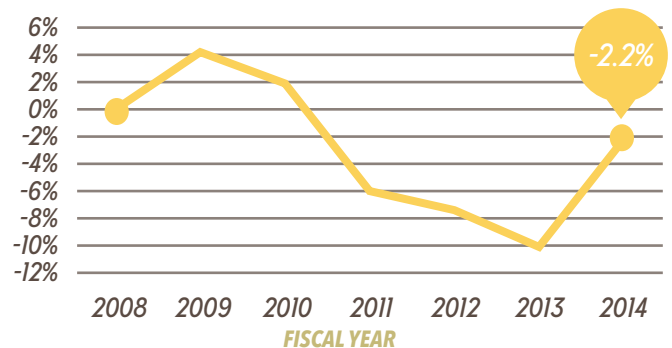


Source: BPC analysis; data from LEAP

A high-quality education system, offering opportunities for learning from early childhood to career, produces skilled workers, keeps Washington state competitive, and contributes to the overall quality of life for everyone. Investments in education are incredibly important in today's changing economy and competitive job market. As gaps in income and wealth continue to widen, all Washingtonians must have opportunities to advance their education.

But not all Washingtonians have the same access to a high-quality education. Gaps in educational opportunity for people of color begin in early childhood and

**FIGURE 19:**  
**SPENDING ON EDUCATION**  
Percentage Change in State Near General Fund + Opportunity Pathways and Federal ARRA spending on Education compared to Fiscal Year 2008 Levels, adjusted for inflation



Source: BPC analysis; data from LEAP

persist through adulthood. Social inequality and the burdens of poverty are leading factors in the differences in educational achievement between children from different races.

This does not bode well for our state's future. Our economic success depends on preparing everyone to participate and contribute to the best of their ability. Leaving any group behind will hold back our entire economy.

### PROVIDE OPPORTUNITY FOR ALL KIDS

*Provide opportunities for all kids to succeed by fully funding McCleary; investing in drop-out prevention strategies; training educators and administrators to deliver culturally-appropriate services and education; improving language instruction for non-English speaking students; and closing the gap through student support services such as housing, mentoring programs, and parent engagement*

Lawmakers must invest billions more in K-12 education to comply with the State Supreme Court’s ruling in the *McCleary v Washington* case. The state is currently being held in contempt by the court for failing to make adequate progress toward its constitutional obligation to fund basic education. It is estimated to cost at least an additional \$4.5 billion per two-year budget cycle to fully fund the basic education reforms, which include smaller class sizes, increased instructional time, and updates to the transportation and school funding formulas. In addition, investments need to be made to increase teacher salaries.

*“Funding McCleary is important, but is not enough to close the gaps in success for students of color.”*

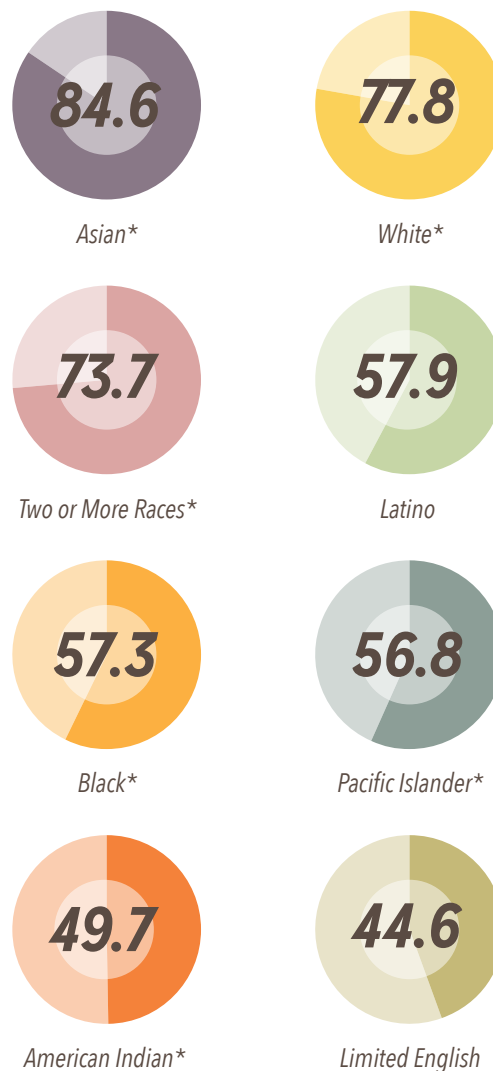
American Indian, Pacific Islander, Black, Latino, and students who speak limited English lag behind their peers in meeting 3rd grade reading standards, an important measure of student achievement. This is not a reflection of the capabilities of kids of color. Rather, it indicates that the opportunities and resources for success are missing for many students of color. Solutions to disparities require action both within and beyond school walls.

Investments and strategies that improve learning for non-English speaking students, enhance educators’ understanding of the different cultures their students come from, prevent students from dropping out of school, and re-engage those who do would go a long way toward improving opportunities and outcomes for students of color.

It is also important to make investments that allow kids to be focused and successful in the classroom. Strengthened supports in the school only go so far if kids are distracted by hunger, don’t have stable housing, or face stress caused by poverty. Educational equity requires investments in health care-- including physical and behavioral health-- and work supports that address the needs of the whole family.

**FIGURE 20:**  
**ASIAN AND WHITE CHILDREN ARE MORE LIKELY TO BE PROFICIENT IN READING**

Percentage of students meeting 3rd grade reading standard, by race; 2013-14



Source: Office of Superintendent of Public Instruction, Washington State Report Card;  
\*Non-Hispanic



## INVEST IN QUALITY EARLY LEARNING

*Invest in increased access to quality early learning by increasing childcare slots, allowing families to stay on Working Connections Child Care for 12 months and eliminating the cap on enrollment*

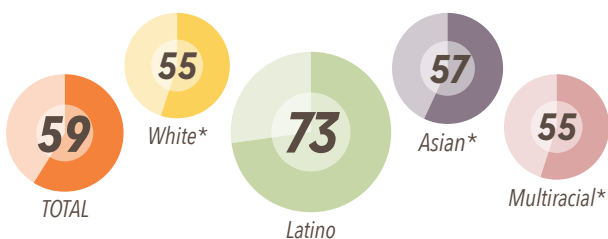
The first five years of a child’s life, when the human brain is forming, are crucial to a child’s future. A high-quality early learning system is one of the best investments to help kids get a strong start in life, yet only about 1 percent of state resources are spent on early learning. As a result, many children do not have access to pre-kindergarten education. Nearly 60 percent of all 3- and 4-year-olds in Washington state are not enrolled in preschool. For Latino children, that figure is 73 percent (Figure 21).

When childcare is available, it has to be high quality to make a difference. High-quality programs are culturally and linguistically relevant to the families they serve, and they feature a rich learning environment, ongoing child assessment and screening, and thoughtful curriculum. A 2010 study found high measures of academic and cognitive achievement-- such as reading, writing, and thinking ability-- from children who received high-quality childcare, but not for those enrolled in low-quality childcare.<sup>35</sup>

Additional state investments can make early learning more widely available and improve its quality by: increasing the number of preschool slots; increasing educators’ pay as they increase their skills and education level; eliminating the cap on the number of parents who can receive Working Connections Child Care (WCCC), which helps families pay for child care while they work or participate in job readiness activities; and allowing families to stay on WCCC for a continuous 12 months to promote the stability and quality of care children receive.

**FIGURE 21:**  
**NEARLY 60 PERCENT OF 3 AND 4 YEAR OLDS ARE NOT ENROLLED IN PRESCHOOL**

*Percentage of children ages 3 and 4 not attending preschool, by race; 2010-12*



Source: KIDS COUNT data center; Population Reference Bureau, analysis of data from the U.S. Census Bureau, 2005-07 to 2009-11 three-year; \*Non-Hispanic



### SIMONE MARRION

*My name is Simone Marrion. I received my BA from Evergreen University and supervised an AmeriCorps program in Seattle. In order to propel my career forward, I attended the University of Washington part-time, studying for a Master’s in Public Administration. I paid for my education with my savings and student loans.*

*Unfortunately, exorbitant tuition prevented me from finishing my graduate education. My AmeriCorps program lost funding, thereby leaving me unemployed. I have thousands of dollars in student debt without a graduate degree to show for it. My lack of credentials has severely impacted my job search.*

*Education is crucial to professional success, but rising tuition costs prevent many people, including myself, from finishing their education. The State Legislature needs to bring tuition costs down by fully funding higher education.*

## MAKE COLLEGE AFFORDABLE

*Strengthen educational opportunities by increasing state investments in higher education, lowering tuition, and boosting financial aid*

Men and women with more than a high school diploma are likely to earn more and have better job security. In 2013, workers with an associate's degree were half as likely to be unemployed as those without a high school diploma, and they earned 65 percent more per week.<sup>36</sup>

But students are finding it increasingly difficult to make their college dreams a reality. Cuts in state support for colleges and universities have caused tuition and fees in Washington state to jump 61 percent, or \$4,085 for the typical student, since the start of the recession— **the second-largest tuition increase in the nation.**<sup>37</sup>

For students of color, the barriers to a college degree are even higher. According to the Washington Student Achievement Council, students of color are more likely to be first-generation college students; English language learners; enrolled in schools with limited resources; and come from low-income families.<sup>38</sup> All of this contributes to less educational opportunity and lower degree completion for students of color.

College enrollment rates for Latinos and American Indians are below average (Figure 22). There are also major gaps when it comes to degree completion. Six-year graduation rates for students enrolled in colleges granting bachelor's degrees show that Black, Latino, and American Indian and Alaskan Native students graduate at lower rates than their peers (Figure 22).

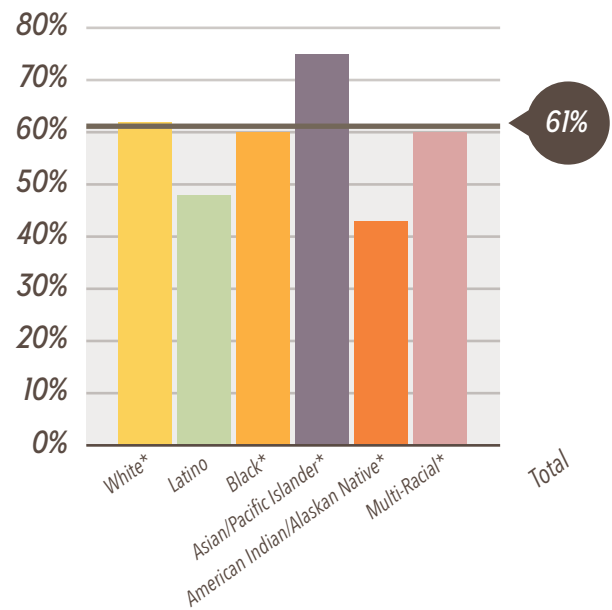
Last year, Washington state opened the doors to higher education for more Washingtonians by removing a significant barrier for many students: lack of access to financial aid. The Washington state Dream Act allows undocumented youth who graduate from Washington state high schools to qualify for the State Need Grant – our state's need-based college aid program. Access to financial aid matters:

*"A \$1,000 increase in financial aid can increase the likelihood that an individual will pursue higher education by four percentage points and increases the amount of education obtained by two months."*<sup>39</sup>

Lawmakers have an opportunity to build on the momentum of the Dream Act. Increased state investments in public colleges and universities to keep tuition costs low, paired with more financial aid will make college a reality for many more Washingtonians.

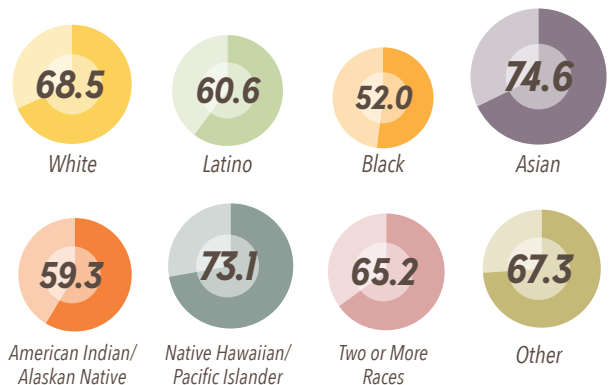
**FIGURE 22:**  
**SOME STUDENTS OF COLOR FACE SIGNIFICANT HURDLES TO COLLEGE ENROLLMENT AND COMPLETION**

Percentage of high school graduates in Washington state that enroll in a postsecondary institution at some point during the following academic year, by race; 2012 enrollment



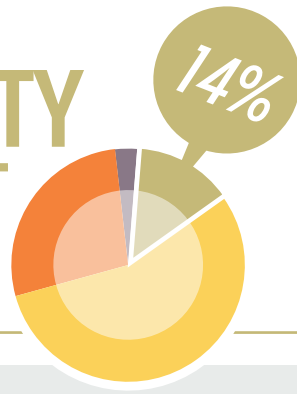
Source: KIDS COUNT data center; Education and Research Data Center (ERDC) High School Feedback Reports, Table 2; \*Non-Hispanic

*Washington state six year graduation percentage rates by race/ ethnicity; 2005 entering cohort at public baccalaureate colleges*



Source: Washington Student Achievement Council; IPEDS, 2012

# COMMUNITY DEVELOPMENT & TRUST

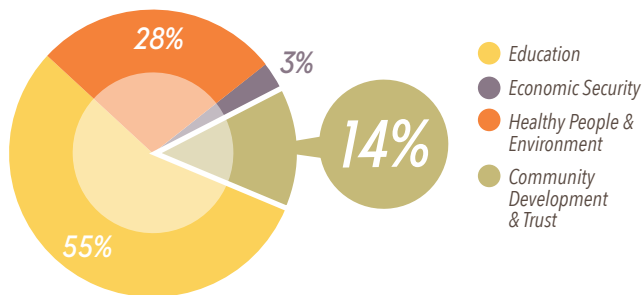


## BUDGET SNAPSHOT

Investments in Community Development & Trust make up 14 percent of all state spending (Figure 23). Changes in funding compared to pre-recession levels have fluctuated considerably over the last several years, when adjusted for inflation (Figure 24). In 2011, lawmakers slashed funding for the maintenance and operation of state parks and created the Discover Pass, a user fee intended to replace state funding. Savings in Corrections were achieved by reducing supervision for certain offenders and closing two prisons. The state also closed a rehabilitation center for juveniles.

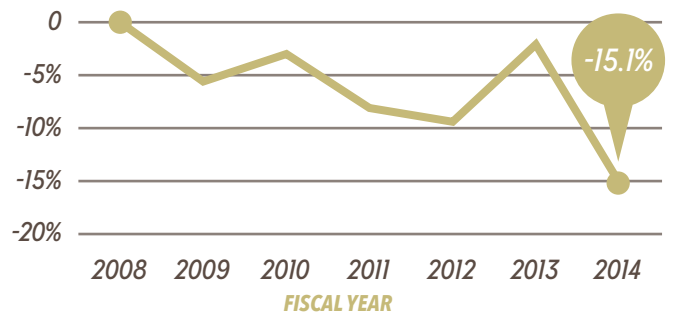
In 2013, lawmakers made over \$200 million in bond payments that would otherwise be due in the following biennium, creating a jump in funding that year and a subsequent drop the following year, when comparing to pre-recession levels.

**FIGURE 23:**  
**STATE BUDGET INVESTMENTS BY VALUE**  
Total State Near General Fund + Opportunity Pathways and Federal ARRA, FY 2014



Source: BPC analysis; data from LEAP

**FIGURE 24:**  
**SPENDING ON COMMUNITY DEVELOPMENT & TRUST**  
Percentage Change in State Near General Fund + Opportunity Pathways and Federal ARRA spending on Community Development & Trust compared to Fiscal Year 2008 Levels, adjusted for inflation



Source: BPC analysis; data from LEAP

Public trust, transparent and representative government, and a restorative justice system are cornerstones of community development and trust.

**REPRESENTATIVE GOVERNMENT**

To be truly representative, government should reflect the makeup of the communities it serves, and lawmakers should consider how their decisions affect racial equity. Yet people of color are less likely to be represented by decision-makers and have opportunities for civic engagement.

Today’s Legislature does not adequately reflect the state’s diversity (Figure 25). For every 100,000 Washingtonians who are Black, Latino, and Multiracial, there is less than one lawmaker of their respective race in the State Legislature. Without an equal voice, some communities’ perspectives are absent from the debate and there is an inevitable bias in how decisions get made. The very concept of democracy is built on having inclusive engagement and participation by all communities. Policies that foster civic engagement and accountable decision making are needed to build trust with every community.

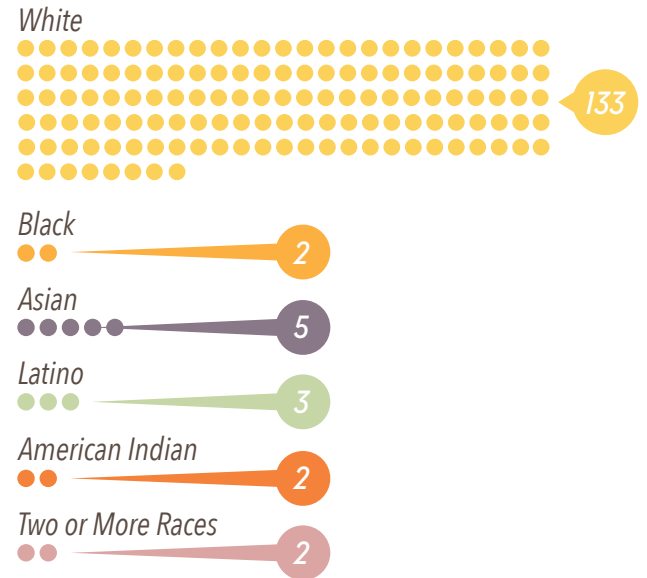
This is just as true at the local level. Nearly all local elections in Washington state use at-large voting systems by which an entire city or town votes on all council members, as opposed to electing officials to represent particular districts whose residents share economic and other concerns. At-large voting effectively allows 50 percent of voters to control 100 percent of the seats. For example, imagine a city that elects 10 officials at-large. In this scenario, even a slim majority of voters can determine the priorities of the entire city, silencing the needs of the minority who may live in a different part of the city faced with its own unique set of issues.

This type of system fosters racially polarized voting and results in under-representation of racial and ethnic minorities in local elected office. This has a spillover effect on statewide government representation, as local offices are often a springboard for bigger races.

**FIGURE 25:**  
**COMMUNITIES OF COLOR ARE UNDER-REPRESENTED IN THE WASHINGTON STATE LEGISLATURE**

*Composition of the Washington State Legislature by race/ethnicity as of January 2014*

**NUMBER OF LEGISLATORS BY RACE**



Source: BPC analysis; data from Seattle Times and US Census Bureau

### **MAKE GOVERNMENT ACCOUNTABLE TO ALL WASHINGTONIANS**

#### ***Pass the Voting Rights Act***

The Washington Voting Rights Act would allow local governments to change their voting systems in local elections to give all communities an opportunity to elect officials who represent their viewpoints. It does not mandate any particular voting system. Instead, it allows a locality to solve the problem of voter exclusion on its own.

### **USE A RACIAL EQUITY LENS IN DECISION-MAKING**

#### ***Adopt Racial Equity Impact Assessments as part of the state decision-making process***

When policymakers act, they should know how their decisions will affect communities across Washington state, so there are no unintended consequences for some groups of people. Racial Equity Impact Assessments (REIAs) are an effective tool for systematically analyzing the impact of policies and budget decisions on different racial and ethnic groups. They are comparable to fiscal notes that measure how a proposal will affect spending and environmental impact statements that examine how roads and other developments will affect the natural environment. REIAs assess how proposed actions will affect different racial groups and can be used to prevent adverse consequences for various communities.

Consciously evaluating how policymakers' decisions affect the lives of all Washingtonians is a fundamental step toward reducing inequality. King County and Seattle officials already use REIAs. They would be a more powerful tool if the Legislature enacted them at the state level.

### **PUBLIC SAFETY AND TRUST**

A racially equitable justice system helps both the victim and offender repair the harm caused by crime, prevents unjust deportations, eliminates the disproportionate mass incarceration of people of color, and respects the human dignity of all people.

Washington state's criminal justice system treats some more harshly than others. Black residents are five times more likely than white residents to be in prison.<sup>40</sup> These extreme disparities reflect policies, practices, and stereotypes that distort decision making and result in harsher penalties for people of color in the criminal justice system. For example, in one study, Latino and Black drivers were at least twice as likely to be searched during traffic stops as white drivers. American Indian drivers were nearly five times more likely to be stopped. In another example, enforcement of drug laws that focused on crack cocaine over other drugs resulted in disproportionately higher arrest rates for Black residents. There was no public health or safety justification for the decision to focus on crack cocaine.<sup>41</sup>

The disproportionate incarceration of people of color perpetuates institutionalized racism, excluding offenders from finding a job, securing housing, qualifying for public services, and voting.



### REDUCE FINANCIAL BARRIERS FOR PEOPLE REENTERING SOCIETY AFTER INCARCERATION

*For those with limited finances, reduce Legal Financial Obligation debt that is not tied to restitution*

After serving their criminal justice sentence, many Washingtonians face major barriers to life after incarceration due to fines, fees, and restitution assessed as part of a criminal conviction. These Legal Financial Obligations (LFOs) push former offenders into debt and prevent them from fully reestablishing their lives.

The average amount of LFOs imposed in a felony case is \$2,540—an amount that can be impossible for low-income individuals to pay.<sup>42</sup> If unpaid, LFOs continue to grow, with interest that accrues at a rate of 12 percent, further increasing a former prisoner's debt.<sup>43</sup> Failure to pay LFOs amounts to a lifetime sentence, making it harder to reintegrate into society as individuals face further legal and financial consequences, poor credit ratings, and difficulty getting housing and employment.

Additionally, LFOs are not levied equally. Latino defendants face significantly higher fines than white defendants, even after the seriousness of the offense and offender's record are taken into account.<sup>44</sup> LFOs have a disproportionate impact on people of color simply because they are over-represented in the criminal justice system to begin with.

### PERMANENTLY ELIMINATE THE DEATH PENALTY

Washington state's current laws allowing capital punishment have been in effect since 1981. But for at least the next two years, no one will be put to death as a result of Governor Inslee's decision to place a moratorium on the death penalty while he is in office. The Governor's decision recognizes the alarming flaws in the system: the death penalty is applied unequally, has not proven to deter crime, and is extremely expensive to administer.

The race of the defendant significantly influences sentencing. In Washington state, juries were found to be three times more likely to impose the death penalty on a Black defendant than a white defendant, despite the similar circumstances of the cases studied.<sup>45</sup>

Additionally, trial proceedings in a case where the death penalty has been sought are far more expensive and lengthy than other aggravated murder cases. On average, prosecution and defense costs in death penalty trials are roughly \$467,000 more than non-capital cases, with an additional \$47,000-\$70,000 for court personnel.<sup>46</sup>



**ARDELL SHAW**

*My name is Ardeell Shaw, and I've been struggling to pay my LFO's since my release from prison. I grew up in South Seattle. When I was in my 20's, I was arrested and charged with three counts possession of narcotics with the intent to distribute. I was given a 14 year sentence.*

*When I was sentenced, I was also hit with LFOs for each of my charges for a total principal balance of \$1,800. I appealed my charges with a public defender and lost. For my appeal, roughly \$4,000 was added to my LFO balance. Upon my release, I had a balance of over \$21,000 and severely damaged credit.*

*My poor credit made it extremely difficult to find a place to live. I couldn't open a bank account. I was denied jobs that required a credit check. When I did find employment, I had to purchase a car and was only able to get a high-interest car loan. If I fall behind on my LFO payments, I could be sent back to prison.*

*The State Legislature needs to reform LFOs. LFOs are a major burden for people reentering society after incarceration and an unnecessary source of recidivism. LFO's should not accrue interest until a person is released, and people should not be sent back to prison for their inability to pay.*

### KEEP FAMILIES TOGETHER

#### *Pass the Family Unity Act*

Family is the most important influence on a child, which is why children who are separated from parents who are deported can suffer from poorer health, behavioral problems, and learning difficulties.<sup>47</sup> Families can be unnecessarily put at risk of separation when the criminal justice system gets entangled with federal immigration enforcement. Something as minor as a traffic violation can turn into a prolonged stay in jail, detention by immigration authorities, or deportation proceedings - all without an individual being charged with a crime. This happens when an individual is booked into jail and their fingerprints get sent to an immigration database. If the person is not a citizen, a detainer or hold on the individual is triggered by U.S. Immigration and Customs Enforcement.

This de facto enforcement of federal immigration law by local police or sheriffs builds mistrust of law enforcement. Witnesses and victims of crime may choose not to contact police for fear that they could be deported and separated from their family and children. That threatens family security and endangers public safety for everyone.

With some clear guidelines and policies, we can restore trust in law enforcement and protect public safety. The proposed Family Unity Act would allow local law enforcement to deny immigration holds or limit them to undocumented immigrants convicted of a serious or violent felony. This state legislation would safeguard the civil liberties of individuals facing no charges or who are accused of only minor infractions. This common-sense improvement would keep families intact while improving public safety.

# EQUITABLE REVENUE

An equitable tax structure is one that ensures all Washingtonians help to support public investments, without placing excessive costs on those least able to afford it. This would ensure that the state has robust resources to invest in health care, education, and other vital services that benefit everyone.

Washington has the most “upside down” tax structure of any state in the United States, which means lower- and middle-income families pay a far greater share of their incomes to support our state investments. Families earning less than \$20,000 annually pay 17 percent of their income in taxes, middle-income families earning between \$37,000 and \$62,000 pay 11 percent, and families earning more than \$99,000 pay only 5 percent of their income in taxes (Figure 26). This flawed system makes income inequality worse by giving a big break to the highest income earners, while lower- and middle-income families reap little reward from the economic activity they help generate.

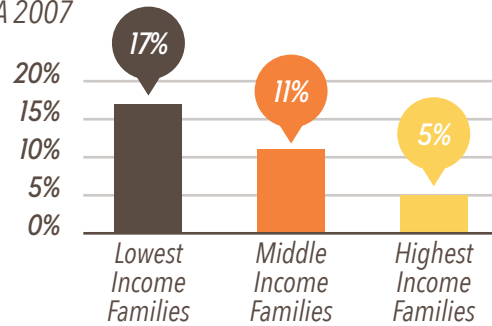
In addition to being inequitable, our revenue system is also inadequate, built for an outdated economy. It fails to tax many services and investment income that now make up a major share of our economy. As a result, our revenues have been shrinking as a share of the overall economy since the mid-1990s and have failed to keep pace with the changing needs of our state.

The flaws in our revenue system were worsened by the Great Recession, which blew an \$11 billion hole in our resources between the 2009 and 2014 fiscal years. Revenues for the current fiscal year, which ends June 30, 2015, are projected to fall some \$650 million short of pre-recession levels, after adjustment for inflation (See figure 27). Revenues are not projected to recover to 2008 levels until 2017, more than eight years after the deepest part of the Great Recession.

Policymakers can take the following common-sense steps toward building a more equitable and adequate revenue system in the coming year.

**FIGURE 26:**  
**WASHINGTON STATE'S TAX SYSTEM CONTRIBUTES TO GROWING INCOME INEQUALITY**

**WHAT FAMILIES PAY IN TAXES BY INCOME LEVEL**  
State and local taxes as a share of family income, WA 2007



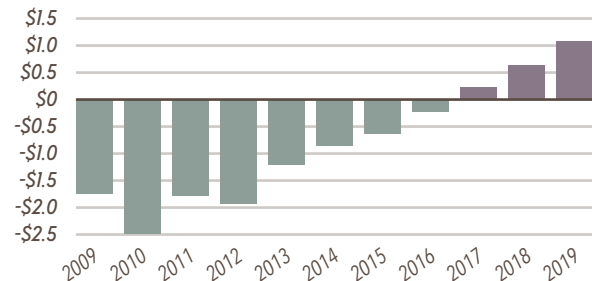
Annual Income:  
 ● Less than \$20,000    ● \$37,000 to \$62,000    ● More than \$99,000

**INCOME GAINS OF FAMILIES SINCE 1970s**  
Change in average household income, WA 1977-2005



Source: BPC analysis; Data from CBPP, EPI, LEAP & ITEP

**FIGURE 27:**  
**STATE TAX RESOURCES REMAIN DEPRESSED**  
Total state near general fund revenues compared to fiscal year 2008 levels, adjusted for inflation, in billions.



Source: BPC calculations; data from ERFC, Sept. 2014 forecast

## RAISE NEW REVENUE

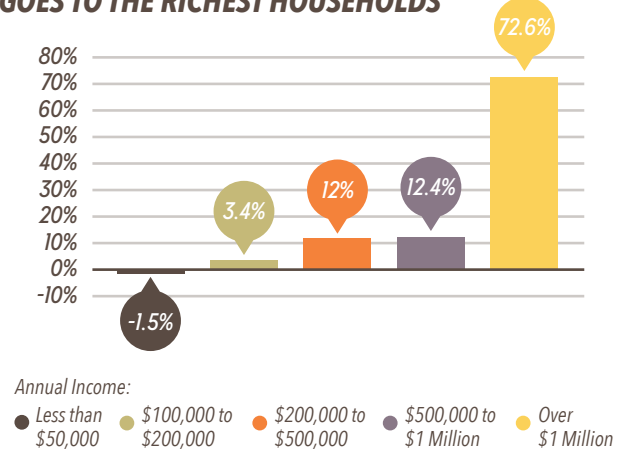
### Enact a Capital Gains tax

Capital gains are profits from the sale of corporate stocks, bonds, and other high-end financial assets.

Although 42 states tax capital gains, Washington state does not (Figure 29). As a result, we miss out on a huge slice of economic activity that has the potential to raise roughly \$1.4 billion over a two-year period.

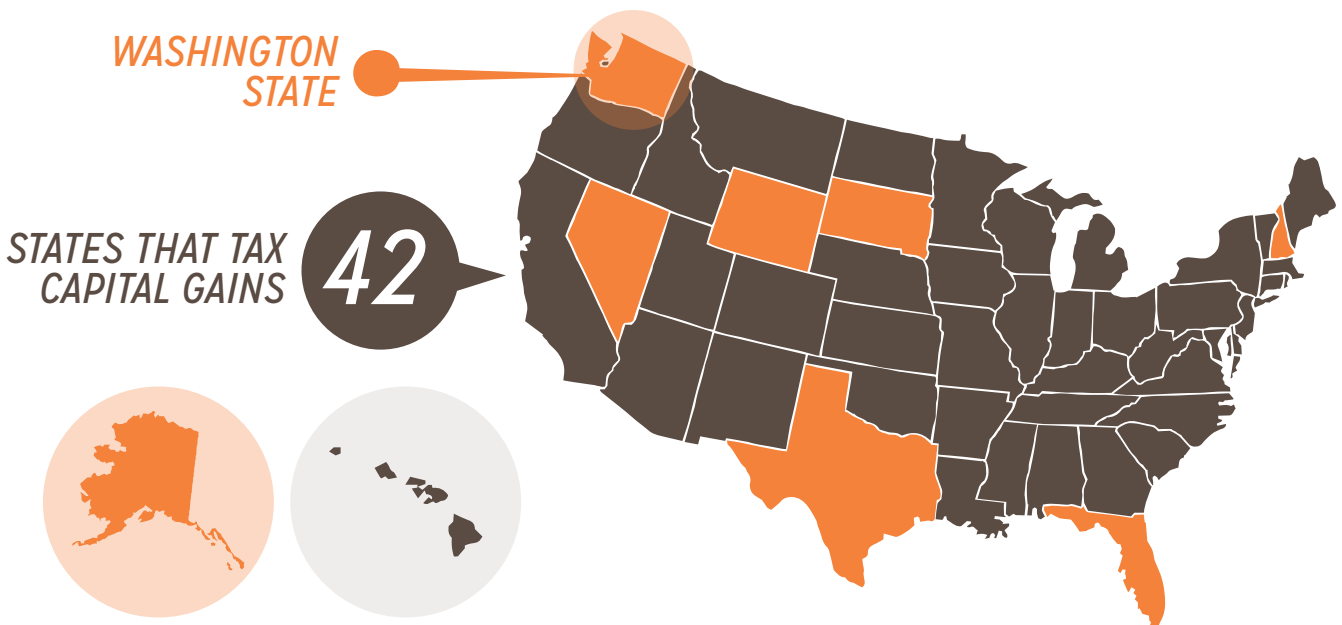
Because capital gains are more concentrated among the richest households than any other economic resource, very few Washingtonians would pay any capital gains taxes. As of 2012, nearly four-fifths (73 percent) of all capital gains in the United States went to millionaires (See figure 28). Exempting the first \$20,000 in capital gains from taxation (\$10,000 for single filers) would ensure that 98 percent of Washingtonians would pay no additional taxes under the proposal. It is important to note that the tax would not apply to the sale of a family home (primary residence). And, because the tax would adhere to federal law, it would not apply to financial assets in pension funds, 401(k) accounts, IRA and Roth IRA accounts, or any other federally-recognized retirement account.

**FIGURE 28:**  
**AN OVERWHELMING MAJORITY OF CAPITAL GAINS GOES TO THE RICHEST HOUSEHOLDS**



Source: BPC calculations: data from the Tax Policy Center

**FIGURE 29:**  
**FORTY TWO STATES TAX CAPITAL GAINS, BUT WASHINGTON DOES NOT**



Source: BPC analysis of Federation of Tax Administrators data

### REPRIORITIZE STATE SPENDING

#### Close Tax Breaks

There are currently hundreds of tax exemptions, credits, preferential rates, deferrals, and other tax breaks on the books that are costing our state more than \$6.5 billion a year. Many are outdated, ineffective, and escape scrutiny year after year, while some others may serve a valid purpose.

These resources could be more wisely put to use by investing in the health and well-being of all Washingtonians. Investments in education, health care, and transportation infrastructure have a proven bang for the buck when it comes to stimulating the economy, both in the short and long run, a wide body of research shows. Lawmakers should prioritize investments in health and education over wasteful tax breaks to corporations.

Since the *McCleary* ruling in 2012, the Governor and state legislators have proposed to eliminate at least 14 wasteful tax breaks, amounting to more than \$800 million per two-year budget in foregone tax resources. Lawmakers and special interests opposed to additional funding for schools, health care, and other important economic investments have repeatedly blocked the proposals, however.

#### OTHER REVENUE REFORMS

To create a more equitable revenue system, lawmakers should fully fund the Working Families Tax Rebate (WFTR). The WFTR is a Washington state version of the federal Earned Income Tax Credit (EITC) that would rebate a portion of sales taxes paid by lower- and moderate-income families each year. The federal EITC is a powerful economic tool that has repeatedly been shown to boost economies while keeping hardworking families from falling into poverty. Although lawmakers enacted the WFTR in 2008, they have yet to fund it.

Policymakers should also consider increasing the state property tax to raise additional revenue for schools in Washington state. To prevent raising costs for lower- and moderate-income families, they should also enact a “circuit breaker credit,” which would refund the portion of property tax payments that exceed five percent of a family’s annual income. The credit would be available to families with income below \$67,000 per year. Pairing a property tax increase with a circuit breaker credit would generate needed resources for education while ensuring costs are not disproportionately borne by those who can least afford it.

# CONCLUSIONS

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Lawmakers should take the following actions in the 2015 Legislative Session to reduce racial inequities and increase opportunity for all:

## ECONOMIC SECURITY

- *Strengthen Temporary Assistance for Needy Families*
- *Raise the state's minimum wage*
- *Require employers to offer paid sick leave*
- *Prevent wage theft and the misclassification of employees*
- *Fully restore State Food Assistance*
- *Invest in the Housing Trust Fund and prevent income discrimination in housing*

## HEALTHY PEOPLE & ENVIRONMENT

- *Implement the Basic Health Option*
- *Expand the dental workforce*
- *Reduce carbon emissions and invest in equity*
- *Pass the Reproductive Parity Act*

## EDUCATION

- *Fully fund McCleary and close the opportunity gap*
- *Invest in increased access to quality early learning*
- *Increase investments in higher education*

## COMMUNITY DEVELOPMENT & TRUST

- *Pass the Voting Rights Act*
- *Adopt Racial Equity Impact Assessments*
- *Reduce Legal Financial Obligation debt*
- *Permanently eliminate the death penalty*
- *Pass the Family Unity Act*

## EQUITABLE REVENUE

- *Enact a Capital Gains Tax*
- *Close tax breaks*

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Author:

Kim Justice, Senior Budget Analyst, Washington State Budget & Policy Center  
Contributions from Chris Genese, Washington Community Action Network

Design by Nathan Runyan



## DATA LIMITATIONS

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The information in this report is meant to provide a snapshot of several issues critical to the well-being of people of color in Washington state. While we cover a wide range of topics, the information in this report is by no means exhaustive.

Whenever available, we use data that includes consistent racial and ethnic categories and disaggregates race within racial categories. In some cases, data simply were not available or sufficiently reliable to accurately reflect the status of all racial groups. Thus, information is sometimes missing on important groups. For example some statistics aggregate members of diverse communities, which can be misleading. Several data sources aggregate all Asian communities. Some Asian communities in Washington state, such as Japanese and Chinese communities, have been established in the state longer and tend to have higher incomes, rates of insurance, educational attainment, and do better in other measures of economic success than the Southeast Asian communities that have immigrated to the United States more recently. Data that refer to “Asian” residents of Washington state may not represent the actual experience of some Asian communities.

The data on American Indians and Alaskan Natives suffer from various data collection and reporting issues, such as small sample size, large margins of errors, or other issues related to the validity and statistical significance of data on American Indians and Alaskan Natives. Additionally, many immigrants are members of indigenous communities in their countries of origin. Data about immigrants do not disaggregate members of indigenous communities.

## ENDNOTES

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## ENDNOTES (Continued)

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## ENDORISING ORGANIZATIONS

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Alliance for a Just Society  
American Federation of Teachers Washington (AFT)  
American Friends Service Committee  
APICAT for Healthy Communities  
BlackOut WA  
Building Changes  
Casa Latina  
Center for Justice  
Children's Alliance  
City of Seattle Race and Social Justice Initiative  
Coalition to Abolish the Death Penalty  
Don't Shoot, Inc  
Economic Opportunity Institute  
El Centro de La Raza  
Entre Hermanos  
Equity in Education Coalition  
Faith Action Network  
Main Street Alliance of Washington  
NARAL Pro-Choice Washington  
Northwest Fair Housing Alliance  
OneAmerica Votes  
Para Los Ninos and Latinos for Community Transformation  
Parents Organizing for Welfare and Economic Rights (POWER)  
Peace and Justice Action League of Spokane (PJALS)  
People's Institute NW  
Progreso Latino  
Puget Sound Advocates for Retirement Action (PSARA)  
Real Change  
Seattle Indian Health Board  
Seattle King County NAACP  
Seattle Office for Civil Rights  
SEIU 775  
SEIU Healthcare 1199NW  
SEIU Local 6  
SEIU Local 925  
Skagit Immigrant Rights Council  
Solid Ground  
Statewide Poverty Action Network  
Teen Feed  
Trusted Advocates Association  
UAW 4121  
UFCW Local 21  
United Black Clergy  
Urban League of Metropolitan Seattle  
Village of Hope  
Washington State Budget & Policy Center  
Washington Community Action Network  
Washington Education Association (WEA)  
Washington Low Income Housing Alliance  
Washington State Labor Council, AFL-CIO  
WFSE/AFSCME Council 28  
White Center CDA  
Win/Win  
Youth Undoing Institutional Racism

