

Weaving Together the Pieces

Important Steps in Both House and Senate Budgets to Advance Equity and Opportunity



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The past year has made clear how important investments in our communities are for the health and economic well-being of the people who call Virginia home. State budget proposals offer a significant opportunity to make those kinds of investments and make sure that everyone — no matter what they look like or how much is in their wallet — has the resources to thrive. Conversely, state budgets can also be avenues where the policymakers further entrench barriers for people of color and people with low incomes.

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. The additional federal help from the December COVID-19 package and a positive revenue reforecast provide additional capacity for legislators to help families and communities.

In the coming week, legislators will have the opportunity to choose the best policies from each of the proposed budgets in order to advance equity and promote the health and well-being of people across the commonwealth. It is up to policymakers this month to decide what kinds of values are communicated through their budget choices, but each of us can let our legislators know what is important to us and ask that they prioritize policies that help low-income families and communities of color.

Below is a summary of key initiatives in the areas of health care, K12 education, housing, safety net programs, immigration, and higher education.

Education

No Loss Funding

Schools in Virginia — particularly those that serve children whose parents can't afford as much extra help — are lacking the resources to serve students safely and effectively. Schools will need to use new federal aid for its intended purpose: to support the safe in-person reopening of school buildings and address lost learning time.

- The Senate budget protects schools against state funding cuts due to temporary declines in student enrollment — otherwise known as “No Loss” funding.
- The House, however, would cut No Loss funding by nearly \$84 million and force school divisions to tap into federal aid dollars to make up some of the difference, otherwise known as supplanting. This proposal would particularly harm school divisions with the highest share of students of color — the cuts are nearly twice as large per student in divisions with the highest share of students of color compared to divisions with the lowest share.

Support Personnel

Accumulated trauma and mental health issues for students have been magnified as a result of the pandemic. Key school support positions, which the state has been underfunding for more than a

decade now, are critical to help address those challenges and ensure students are supported in their return to school.

- The Senate included the state share of the costs to move schools to a ratio of 3 support positions to every 1,000 students. The covered support staff positions are social workers, psychologists, nurses, licensed behavior analysts and assistants, and other licensed health and behavioral positions. This is aligned with the amended Senate Bill 1257, which is currently advancing to the House Floor for consideration.
- The Senate also included language to increase the ratio by one support position if revenues come in ahead of forecast at the end of June 2021.

Funding to Address Lost Learning Time

Many students, particularly those whose parents could not afford private supports, have fallen behind in the virtual learning environment. One new study suggests that an additional investment of roughly \$10,000 per student could take over 5 years in divisions with high concentrations of students living in poverty, Black and Latinx students, and English Learners to make up for lost learning time during the pandemic.

- The Senate proposed \$30 million from lottery funds to remediate lost learning time for students.

- The House goes even further, directing \$51 million in funding from the COVID-19 Relief Fund for lost learning time and directing an additional \$30 million in other federal funds already earmarked for education to school grants for remediation and recovery efforts.
- While this new funding to address lost learning time all comes from very different places in the House and Senate budgets, all of it is needed for learning loss remediation efforts, which will require a lot more funding than what's been allocated.

Increases in teacher and staff pay

Both the House and Senate have proposed small increases in teacher pay. However, even with the proposed salary adjustments, Virginia's teacher pay is low and considered the least competitive in the country when you compare it to the pay of other adults with bachelor degrees. Even a 5% raise is ultimately still a drop in the bucket, and it will take years of investments like this to even reach the national average for teacher pay.

- The House proposed changing the governor's proposed 2% bonus for state-supported teachers and school staff into a permanent 5% salary increase starting in the next school year. The House investment is a step in the right direction and begins to recognize the ongoing contributions of teachers as well as the substantial amount of work and risk teachers have taken on over the past year to meet student needs during the pandemic.
- The Senate proposed a 3% permanent salary increase, contingent on meeting revenue targets this year.

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Health Care

Maternal Health

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, there has been a rise in maternal

mortality and Black women in Virginia have been 1.3 to 2.9 times more likely to die during pregnancy or within six weeks of the end of pregnancy than the total population. State policies can improve maternal health outcomes by expanding access to prenatal care and childbirth supports.

- The House and Senate funded Medicaid Doula reimbursement which was also included in Gov. Northam's introduced budget. Doula care has proven to be beneficial in helping women of color successfully navigate the stress and trauma that systems can often cause. Those who receive doula care have lower rates of cesarean sections and are less likely to experience low-weight births, and some studies have found lowered risk for postpartum depression.
- House and Senate budgets both fund the extension of Medicaid/FAMIS MOMS prenatal coverage to undocumented people who meet all other non-immigration eligibility criteria. This federal option is already in use in 17 other states and would promote access to comprehensive care that will benefit both parent and child.

Housing

Eviction Prevention

Black and Latinx families are most at risk of eviction and foreclosure. This is due to both past and present discrimination leading to lower incomes and lower wealth, as well as direct discrimination on the part of landlords and lenders. Researchers at Virginia Commonwealth University's RVA EvictionLab found that in Richmond City, "neighborhood racial composition is a significant factor in determining eviction rates, even after controlling for income, property value, and other characteristics," with more evictions in neighborhoods with more Black residents and fewer evictions in neighborhoods with more non-Hispanic white residents. And a recent meta-analysis found that racial discrimination in the cost of mortgages has not decreased from the 1970s.

- The Senate has proposed amendments to clarify the budget language around evictions, including specifying that landlords must apply for rent relief before attempting evictions and removing the 45-day deadline for rent relief to be approved.
- Both the House and Senate have accepted the governor's proposal to continue an eviction prevention and diversion pilot project. Although small, this is a good step.

Rent Relief

One in six renters in Virginia was not caught up on rent as of early this year, and we know from national data that renters of color are far more likely to be behind on rent. In May, the National Low Income

Housing Coalition estimated that a total of \$2.7 billion in rent relief was needed in Virginia through June 2021 to address job loss and prevent a rise in evictions. The December federal COVID-19 relief package includes \$570 million in rent relief for families in Virginia. Earlier this week, Gov. Northam announced that \$160 million of these federal funds will immediately be deposited into the rent relief fund. The House and Senate both propose to rely more heavily on the new federal funds for rent relief and reduce the state's own spending on rent relief.

- The governor proposed putting an additional \$40.7 million into the rent relief fund via Virginia Housing Trust Fund, with \$15.7m designated as extra funding for rent relief.
- The House changed the proposed increase to \$15.7 million.
- The Senate changed the proposed increase to \$25 million and zeroed out the extra designation for rent relief.

Housing Affordability

More than 3 in 10 Black households in Virginia 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.

- The House and Senate both retained most or all of the governor's proposed general support for the Housing Trust Fund even while reducing the proposed allocation for rent relief.
- The Senate has proposed using \$29.5 million in Virginia tax dollars to match federal credits for developers who use low-income housing tax credits to produce workforce housing. This housing is typically affordable for moderate-income working people (for example, a single person in Richmond making between \$28,000 and \$38,000 a year) but not individuals and families with very low incomes.

Safety Net

Cash Assistance

The Temporary Assistance for Needy Families (TANF) program helps parents with low incomes afford basic needs such as rent, child care, and transportation. Prior to the last few years, legislators did not increase TANF cash assistance levels even though the cost of living kept rising, forcing families to make ends meet with less and less. Meanwhile, Virginia has accumulated unspent funds in its TANF trust fund because money wasn't used to help the families it was intended to. In recent years, Virginia has begun to remove barriers to cash assistance and restore benefits, but there is still a long way to go. In addition to helping families access needed resources, research

shows that increased incomes result in long-term improvements for children's health, academic, and future earning outcomes.

- The House has proposed using \$3.8 million in TANF funds and \$335,238 in general funds to raise cash assistance by 5%.
- The Senate has proposed using \$15.9 million in TANF funds and \$1.4 million in general funds to raise cash assistance by 18%. The Senate is also proposing to use \$2 million in TANF funds to help families who receive TANF establish individual development accounts to save for a car, house, or other investments that will help them long-term.

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

Inclusion of immigrant communities

Language access

The high rates of COVID-19 infection and job loss in Latinx communities have highlighted the need to improve language access and state/community trust across a range of state agencies. While the current crisis has highlighted barriers at the Virginia Employment Commission, Virginia Department of Health, and the rent and mortgage relief hotline set up by the Virginia Department of Housing and Community Development, it is important to increase access across state agencies so that we are better prepared for the next crisis.

- The House included an amendment directing the Office of Diversity, Equity, and Inclusion to develop recommendations to implement a language access policy for improving access to state services for individuals with limited English proficiency.
- The Senate included \$200,000 to improve interpretation and translation services in Virginia's 2-1-1 social services call system. The Senate has also specified that at least 20% of the Virginia Department of Health's COVID-19 communications must be focused on reaching high-risk populations, including translation services, and banning the use of Google Translate for communications to non-English speakers.

Equity in financial aid

The legislation last year to remove barriers to in-state tuition for some immigrant students who had graduated from Virginia high schools was an important step. Yet without access to federal or

state financial aid, many young immigrant Virginians still could not afford to attend college. The House and Senate have both passed legislation to expand access to state financial aid on the same basis as in-state tuition, and each chamber has included funding for the State Council of Higher Education for Virginia (SCHEV) to develop the necessary forms for this change.

Higher Education

Need-based financial aid

For students who are Black, Latinx, and/or from families with low incomes, financial aid plays a crucial role in the ability to attend college. Rising college costs make it hard to afford college overall, but this is especially the case for Black and Latinx students. In 2017, the average cost of attendance at a public four-year university in Virginia accounted for 36% of median household income for Black families and 27% for Latinx families, while it only accounted for about 23% of median household income for non-Hispanic white families and 17% for Asian American families.

- The House and the Senate fully funded the governor's proposed investments in undergraduate need-based financial aid.
- The Senate also specified \$22 million in new federal funds that must go toward financial aid.

G3 Program

- The House and Senate fully funded the governor's proposed "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 Senate proposed an additional \$5 million, in order to support the Virginia Community College System in its outreach efforts for the program.

Flexible Funding

- The House (\$60 million) and Senate (\$73.5 million) included substantial investments in flexible funding for public colleges and universities, which can be used for operational support, enhancing financial aid, or to address the impacts of COVID-19.
- The Senate included additional flexible funds to George Mason University (GMU) and Old Dominion University (ODU), two universities with a high share of students of color. These amounts are included within the \$73.5 million noted above.

Historically Black Colleges and Universities (HBCUs)

HBCUs are historically underfunded in Virginia. They receive smaller endowments than historically white institutions, and are overwhelmingly attended by students with low incomes and who are first-generation college attendees. This creates a higher need for resources, like financial aid, and makes these additional funds critical to their well-being.

- The House fully funded the governor's proposed investments in HBCUs. Overall investments include restoring funds for the Virginia College Affordability Network (VCAN), technology upgrades for Norfolk State University (NSU), and a data center at Virginia State University (VSU).
- The Senate reduced funding from the governor's proposal for VCAN at NSU and VSU by \$1.7 million and \$1.9 million, respectively.

Additional investments - colleges and universities with higher shares of students of color

Additional investments were made by the governor, House, and Senate in colleges and universities with high shares of students of color (over 50% of total enrollment).

- The House and Senate fully funded the governor's proposal to restore \$15 million towards GMU and ODU to address enrollment growth. (The Senate also provided GMU & ODU with flexible funds, discussed earlier.)
- Both the House (\$5 million) and Senate (\$2.5 million) included funding for a new joint School of Public Health between ODU and NSU.

Next Steps

Lawmakers should take advantage of the remaining days of legislative session to leverage the budget's potential to dismantle long-standing barriers, promote the health and well-being of people across the commonwealth, and set Virginia on a course to rebuild for a better tomorrow.

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