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# Bridging the Gap - Washington Allocates \$200 Million to Address Racial, Economic, and Social Disparities



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In 1971, the U.S. embarked on a “war on drugs,” a campaign that, while ostensibly targeting drug abuse, disproportionately affected Black Americans and other marginalized communities. This war led to mass incarcerations, with the brunt borne by Black, Hispanic, and Indigenous people in Washington and across the nation. The ripple effects extended beyond the incarcerated, tearing apart families and communities.

**The Legacy of Injustice:** Fast forward to 2012, Washington legalized recreational cannabis, reducing related arrests. However, the racial disparities rooted in the drug war’s legacy persist. Even in states with legalized cannabis, Black Americans are nearly twice as likely to face arrests compared to their white counterparts, hindering their prospects in housing, employment, and wealth generation.

**A Bold Move:** Allocating \$200 Million: Recognizing these systemic injustices, in 2022, the Washington State Legislature earmarked \$200 million to support communities most affected by the drug war. Before disbursing these funds, the Legislature mandated the creation of a community reinvestment plan. The Department of Commerce, collaborating with the state Office of Equity and community allies, was tasked with crafting this plan. The plan’s focus encompasses:

1. **Economic Empowerment:** Economic development, emphasizing wealth-building and financial resources
2. **Justice Reform:** Legal aid for post-conviction relief, including record expungement
3. **Community Well-being:** Community-based violence prevention and intervention
4. **Second Chances:** Reentry services for those previously incarcerated

**Community-Led Engagement:** The Harriet Tubman Foundation for Safe Passage was chosen to spearhead a comprehensive community engagement process, culminating in a report with insights from Washingtonians statewide. Throughout the project, the HTFFSP instituted many ways to solicit input:

Engagement Highlights:

- **Informed:** 70 organizations, including state commissions, legislative contacts, Community Development Financial Institution (CDFI), nonprofits, community organizations, and advocacy groups.
- **Consulted:** 60 organizations, including community-based organizations, development councils, youth organizations, and philanthropic partners.
- **Involved:** 24 organizations, including large commissions, departments, and nonprofits.
- **Collaborated:** 37 organizations, including focus group participants, small business networks, reentry-focused community organizations and people, tribal liaisons, community healers, and other community advisors.

Community Empowerment in Numbers:

- 289 focus group attendees
- 18,975 website views
- 1,028 in-person interactions about the work

**Lived Experience Matters:** Central to this initiative is the emphasis on “lived experience” – those who have directly felt the drug policies’ impact. The Foundation’s engagement prioritized these voices, ensuring that the most affected are at the forefront of decision-making. Community insights underscored the need to:

- Acknowledge the structural racism inherent in drug policies
- Understand the broader, intergenerational trauma stemming from over-policing and systemic racism
- Recognize the collective harm to communities, not just individuals

**Systemic Inequalities in Focus:** Feedback from the community reinforced themes evident in various reports, highlighting systemic inequalities in Washington. These disparities span funding, homeownership, violence, homelessness, and the legal system. The collective message is clear: targeted, holistic solutions are imperative to redress past wrongs and foster equity throughout Washington.

**Legislative Approval:** ESSB 5187: On April 23, 2023, the Legislature approved ESSB 5187, which allocated \$200 million exclusively for the department’s administration of grants. These grants are to be distributed based on the recommendations in the Community Reinvestment Plan.

**Strategic Allocation:** The distribution of resources is intended to align with the state Workforce Innovation Opportunity Act (WIOA) Adult allocation method. This method is designed to channel funds towards areas with high poverty, unemployment, and a significant number of disadvantaged adults. Based on the Foundation’s analysis, six counties - Snohomish, King, Pierce, Spokane, Yakima, and Clark - were identified as the most in need of support. Thus, 64% of the fund will be directed to these counties.

**Allocation Details:** These resources are intended to help administer, manage, and support the distribution of the CRP account.

- Office of Equity: \$300k
- Dept. of Commerce: \$700k

**A Monumental Step Towards Equity:** The Community Reinvestment Plan is a monumental step towards rectifying the injustices of the past. By investing in communities, providing resources, and creating opportunities, Washington State is paving the way for a brighter, more equitable future for all its residents.

**Grant Program Overview:** The Community Reinvestment Plan recommends Commerce distribute the \$200 million to community through more than 17 individual grant programs in the four program areas. Subject matter experts will manage the grant programs across several Commerce divisions and in other state agencies. The Department of Commerce is working on the development of a Community Reinvestment website and mailing lists to convey information about formal opportunities for ongoing community engagements, access to the funds they are responsible for investing, and accurate and real-time updates about the outcomes of the fund distribution. In line with the recommendations in the Plan, the Department is establishing an

implementation structure that offers continuous opportunities for community input and feedback. They will implement platforms and systems to ensure accountability and adherence to the research and recommendations outlined in the Plan.

**Stay Informed and Engaged:** Those interested in applying for upcoming grants or participating in the project are encouraged to sign up on the Department's listserv to receive the latest information, engagement opportunities, and details about funding prospects.

**Next Steps:** Internally, folks are copyediting and putting the finishing touches on the Plan for submittal to the Governor and Legislature in the coming weeks. Meanwhile, we are beginning the work of implementing the recommendations in the Plan.

### **Grant Programs to Transform Communities:**

Several programs have been proposed under the Community Reinvestment Plan:

- **Loan Guarantee Fund:** This program offers funding and loan loss reserve to Community Development Financial Institutions (CDFIs), local municipalities, and non-profit organizations in Washington State. \$17M
- **Black, Latino and Indigenous-Led Lending Agency Support:** This program aims to bolster existing and emerging Black and Indigenous-Led CDFIs by providing grants for lending capital and operational costs. \$15M
- **Homeownership Capital Accelerator:** This program provides loan capital to CDFIs to help reduce monthly mortgage payments for buyers. \$15M
- **Individual Development Accounts:** This program assists families in saving for specific assets like education, housing, or business expansion. \$25M
- **Blended Capital Enhancements:** This program aids beneficiaries in acquiring assets through loans, matched savings, and asset journey acquisition enhancement. \$25M
- **Cannabis Business Grants:** This program offers financial support and technical training to cannabis licensees who meet the social equity definition. \$3M
- **Asset Building Initiatives:** This grant supports coalitions that promote policies and programs to help BIPOC communities build assets and achieve financial stability. \$3M
- **Financial Coaching and Mentorship:** This program provides trauma-informed financial coaching, business coaching, and homebuyer education in a culturally responsive manner. \$10M
- **UPDATE - EcSA Career Accelerator Incentives:** This grant program supports individuals working towards economic security and stability. \$10M (Update: Employment Security Department is now contracting with local workforce development councils)
- **UPDATE - EcSA Business Support:** This program supports BIPOC businesses in participating in the WIOA while also assisting job seekers in acquiring necessary skills. \$15M (Update: Employment Security Department is now contracting with local workforce development councils)
- **UPDATE - Legal Representation Grant Pilot Program:** This program aims to provide comprehensive support to individuals impacted by the criminal justice system. \$8M (Update: Office of Civil and Legal Aid is now contracting with community based

organizations ...more details (<https://www.olink.news/blog/8m-for-reentry-related-civil-justice-initiatives>))

- **UPDATE - Reentry Grant Program:** This program offers reentry services for justice-involved individuals. \$12M (Update: Department of Commerce is now contracting with community based organizations ...more details (<https://www.olink.news/blog/12-7m-for-reentry-services>))
- **Youth Sports Capacity Program:** This program provides training for volunteer youth sports coaches in areas such as Social Emotional Learning and Trauma Sensitive Practices. \$5M
- **Barber/Beauty Shop Peer Navigation Program:** This program trains barbers to provide life coaching, violence prevention, mental health support, and mentorship. \$5M
- **Culturally Responsive Community Healer Program:** This program offers healing processes that are culturally respectful and relevant. \$10M
- **Local Advisory Teams:** This program ensures the effective administration of the community reinvestment fund in each of the 12 regions. \$7M
- **Technical Assistance:** This program provides subsidized experts who offer technical assistance and capacity building to organizations and community members. \$4M