



## OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich  
County Executive

Tiffany Ward  
Director and Chief Equity Officer

### MEMORANDUM

December 2, 2024

To: Jennifer Bryant, Director  
Office of Management and Budget

From: Tiffany Ward, Director  
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #25-28 FY25 Operating Budget, Montgomery County Government, Non-Departmental Account, Working Families Income Supplement (WFIS), \$746,525

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that *Supplemental Appropriation #25-28 FY25 Operating Budget, Montgomery County Government, Non-Departmental Account, Working Families Income Supplement (WFIS)* continues to align with the County's overall objective of reducing and eliminating racial disparities and inequities as research demonstrates a clear correlation between Working Family Tax Credits (such as WFIS) and their ability to push back against racial income disparities.
- II. **BACKGROUND:** The primary objective of *Supplemental Appropriation #25-28 FY25 Operating Budget, Montgomery County Government, Non-Departmental Account, WFIS* is to provide additional funding for the program in FY25. This increase is needed because insufficient appropriation exists in the current fiscal year due to a higher number of recipients than anticipated. This is of no surprise as pandemic-era tax policies such as stimulus checks and the expanded Child Tax Credit have expired leading to an increase in people living with children ending up in poverty.

Funds received in the American Rescue Plan Act (ARPA) are required to be spent by the end of Calendar Year 2026, while they are reappropriated and encumbered by the end of Calendar Year 2024. The funds suggested for this supplemental request have been identified as those that will not be utilized in their previously appropriated projects and can

Racial Equity Impact Assessment (REIA) Supplemental Appropriation 25-28 FY25 Operating Budget, Montgomery County Government, Non-Departmental Account, Working Families Income Supplement (WFIS)

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be repurposed. The combined amount of available, previously appropriated ARPA funds that can be repurposed totals \$746,525. The Office of Management and Budget has confirmed with the Office of the County Attorney that the proposed use of the funds for the WFIS supplemental appropriation is an appropriate use of the funds per guidance from the U.S. Treasury Department.

**III. ANALYSIS:** ORESJ previously provided analysis on WFIS in the REIA for *Supplemental Appropriation (SA) #23-95 – FY23 Operating Budget Non-Departmental Accounts (NDA) Working Families Income Supplement (WFIS)*. As the REIA states, tax credits such as WFIS have the ability to lift low-wage workers – who are often women, immigrants, and those who identify as Black, Indigenous, or People of Color (BIPOC) – over the current poverty line. Additionally, the Census Bureau’s most recent reporting of the Supplemental Poverty Measure finds that refundable tax credits in particular, such as the Earned Income Tax Credit (EITC) and the refundable portion of the Child Tax Credit, lifted 3.4 million children above the poverty line in 2023<sup>1</sup>. It is for these reasons that ORESJ finds that this supplemental request has the ability to advance equitable outcomes for BIPOC communities, especially for households headed by single mothers and for immigrant and mixed status families in Montgomery County. For additional information on WFIS and Working Family Tax Credits, we implore you to review the REIA for [\*Supplemental Appropriation #23-95 – FY23 Operating Budget Non-Departmental Accounts \(NDA\) Working Families Income Supplement \(WFIS\)\*](#).

cc: Michael J. Coveyou, Director, Department of Finance  
Tricia Swanson, Director, Strategic Partnerships, Office of the County Executive

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<sup>1</sup> <https://www.census.gov/library/stories/2024/09/supplemental-poverty-measure.html>