


Council of the District of Columbia
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
MEMORANDUM

1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

TO: Chairperson Phil Mendelson
FROM: Councilmember Kenyan R. McDuffie 
RE: Request to Agendize Measures for the October 19, 2021, Additional Legislative Meeting
DATE: October 14, 2021

Pursuant to Council Rule 426, regarding a waiver of Rule 231(c), I request that the following measure be agendized for the October 19, 2021, Additional Legislative Meeting, should one be scheduled.

I also request that the measure be agendized for the Committee of the Whole. The measure was marked up by the Committee on Business and Economic Development and has been filed timely with the Secretary's Office:

Measure from the Committee:

- **Bill 24-0236, the “Child Wealth Building Act of 2021”**

This Bill would allow the District of Columbia (“District”) to create a Baby Bonds program in the District to benefit low-wealth families and place children in a better position to build and maintain economic security and prosperity. There are approximately 9,500 children born annually in the District and roughly 20% of all children in the District live below the poverty line. This Bill would create a District government-sponsored trust fund for children born in the District of Columbia to qualifying households to invest in their future economic stability. The program and special Fund will be managed and administered by the Office of the Chief Financial Officer of the District, or its designee (collectively, “OCFO”). The District has appropriated approximately \$32 million in Fiscal Years 2022 through 2025 to support this initiative. The monies held in trust for each enrolled child will become available when the child reaches 18 years of age. The monies may be used for educational purposes, business ownership, homeownership, or retirement.

The Council's Office of Racial Equity (CORE) assessed the permanent bill's racial equity impact. CORE concluded that the Bill has the potential to advance racial equity by improving economic outcomes for enrolled residents who remain eligible and choose to use their funds for specific wealth-building activities. According to CORE, these activities are tangible privileges that come with having wealth and that “[w]ealth is as much the beginning as it is the end of an economically secure life.” Furthermore, CORE noted that additional research supports its finding and suggests that wealthier families are better positioned to afford post-secondary education, have funds to start a business, live in higher amenity neighborhoods, have political influence, afford better legal representation, leave a bequest to loved ones, and withstand financial hardships.

CORE's assessment also highlighted other outcomes that will likely stem from adoption and implementation of the Bill. Specifically, residents of color – who are overrepresented in the

District's lower-income households – would, as a result of the Bill's automatic enrollment and tiered investment scheme, have improved health outcomes, larger yearly trust fund deposits, continued eligibility for local and federal safety net programs, and the likelihood of college enrollment.

I am also writing to request that the following measures be placed on the agenda for the Additional Legislative Meeting on October 19, 2021:

Emergency Measures

- **“Child Wealth Building Emergency Act of 2021”**
- **“Child Wealth Building Emergency Declaration Resolution of 2021”**

As noted above, these measures would allow the District of Columbia (“District”) to create a Baby Bonds program in the District to benefit low-wealth families and place children in a better position to build and maintain economic security and prosperity. Because the funds to support this program are authorized beginning October 1, 2021, emergency action is necessary to timely implement this vital program and include all eligible children as soon as practicable following the start of Fiscal Year 2022. Resultantly, the emergency legislation will provide that the District's Baby Bonds program and its funds are available to eligible District youth beginning October 1, 2021.

The measures are attached. If you have any questions, please contact Ms. Alicia DiFazio at adifazio@dccouncil.us.

Thank you for your consideration of this request.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Office of the Budget Director