



# The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog

[www.dcfpi.org](http://www.dcfpi.org)

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## Helping DC's Residents Though Additional Revenue

By Jenny Reed

The DC Council delayed a second and final vote on the budget yesterday. A few items remained unresolved, and the much-awaited quarterly revenue forecast from the Chief Financial Officer is still pending. That's an important factor, because the DC Council decided to remove the mayor's [revenue contingency list](#), a set of things to be funded if additional revenues are projected, from the fiscal year 2014 budget. Instead, the council included a provision to spend up to \$50 million more if the June forecast revealed additional revenues, and to have the council decide at that point just how to spend those funds.

The latest set of DC's economic indicators gives another piece of evidence that there may be additional revenue available for next year. The cash report released by the Chief Financial Officer shows that revenues are up by 14 percent when you compare April 2013 collections to April 2012, including a whopping 35 percent increase in income tax collections through that point in the year.

If revenues do come in higher than expected, the council should aim to use some of DC's strong economic growth to help District residents who are struggling. Figures show that nearly [one-in-four single parents is unemployed](#) and that child poverty, which rose by one third in the recession, [remains high](#).

The mayor and council included several increases in the FY 2014 budget to help low- and moderate-income residents. Yet there are still great needs. Homeless families sleep in hotels because shelters are full, parents in the TANF program are currently waiting three to six months to receive job training, more than two dozen schools are on a wait list for school mental health services, taxes on DC's [middle-income earners](#) are far higher than those at the top, and significant changes to the high school equivalency exam (GED) mean that investments are needed to help prepare DC residents to meet the new requirements.

Below are DCFPI's recommendations to the council for helping DC residents with these important needs.

### Giving Residents the Tools to Succeed in the Job Market & Improving Job Conditions

- **Invest in Adult Literacy to help DC Residents Prepare for Major Changes to High School Equivalency Exams.** Without additional funds, adult educators will not have sufficient resources to help residents prepare for the changes to the high school equivalency diplomas. **A \$4 million investment in the Office of the State Superintendent for Education's Pathways to Adult Literacy Fund will help 1,000 residents obtain a high school equivalency diploma or post-secondary credential as well as increase professional development and certification among adult educators.**

- **Invest in Job Training for Low-Income Families with Children.** The approved FY 2014 budget sustains the FY 2013 maximum capacity to serve 3,630 unemployed TANF parents. This is not sufficient to meet the need for these services and as a result there is a waitlist of more than 3,250 TANF parents for these vendors. As of April 2013, the average wait time to access vendor services is between three and six months. This wait time is likely to increase as the Department of Human Services plans to assess the remaining 9,000 parents who have not yet received an assessment by the end of June 2013. It is anticipated that the vast majority of these parents will be referred to an employment vendor based on the results of their assessments.
- **Invest in Protections for Low-income Families with Severe Barriers to Work.** In the FY 2014 budget, the council was able to identify \$3.6 million to fund five of the six protections for families with severe barriers to work, including domestic violence and caring for a family member with a disability. The remaining unfunded exemption is for parents caring for an infant under 12 months of age. Zero to Three, a national organization devoted to improving the lives of infants and toddlers finds that “infants and toddlers, particularly those at risk, need dedicated time with their parents to form the critical relationships that are the foundation for healthy social, emotional, and cognitive development.”<sup>1</sup> **An additional \$1.5 million investment could help cover parents of infants.**
- **Improve Job Conditions for DC Government Workers.** Last year, the Protecting Injured Government Workers Act was introduced. This bill would restore processes that were in place prior to 2011 within the public sector workers compensation program – a program that provides access to medical care and some income support for DC government workers who are injured while working. It would prevent some workers from experiencing sudden cut offs from access to medical care and income supports before they have had a chance to appeal decisions or fully recover. **An investment of \$800,000 would help 1,300 injured workers by restoring the processes that were in place prior to 2011.**

#### Giving Children A Safe Place to Learn and Grow

- **Invest in School Mental Health Services to Expand Availability of a Critical Service for Kids.** Mental health clinicians offer a range of on-site services — from prevention and early intervention to treatment of more severe issues — and there are waiting lists both for schools to participate and for students needing services at participating schools. **A \$2.7 million investment will expand mental health clinicians in an additional 27 schools, which would include both traditional public and public charter schools.**
- **Raise Child Care Reimbursement Rates and Increase Child Care Slots.** In his initial budget submission, the mayor had as his number one contingency revenue priority to raise the child care reimbursement rates and increase child care slots. Reimbursements rates for childcare providers have not been updated since 2006 and are based on child care costs in 2004. A rate increase would help ensure that providers can provide quality child care and that families have access to child care centers throughout the city. In addition, an increase in

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<sup>1</sup> Zero to Three. *Charting a New Course for Children in Poverty: The Reauthorization of the TANF Program.* 2010 [www.zerotothree.org/public-policy/policy.../tanf-june-16-2010.pdf](http://www.zerotothree.org/public-policy/policy.../tanf-june-16-2010.pdf)

reimbursement would more closely match the operating costs of providing quality child care in the city.<sup>2</sup> **An \$11 million investment would increase the child care subsidy rate by 10 percent and provide child care subsidies to 200 more families with infants and toddlers.**

#### Preventing Homelessness/Helping DC Residents in Crisis

- **Invest in Interim Disability Assistance (IDA) to Serve Residents Unable to Work.** IDA provides \$270 a month to residents with disabilities who are unable to work and are waiting to qualify for federal assistance. Due to past year budget cuts, the caseload that DC has been able to assist has been cut 67 percent since 2008. The council has already identified \$500,000 to help serve 150 more residents. **An additional \$4.4 million will help serve 1,050 additional residents as well as provide application assistance for first-time applicants.** Research shows that providing assistance can help increase the chances that someone is able to get their federal assistance application approved on the first try.
- **Invest in Permanent Supportive Housing (“Housing First”) to Help End Chronic Homelessness.** Housing First provides both housing and supportive services to the city’s chronically homeless, who typically suffer from life-threatening health conditions and/or severe mental illness. It also saves the city money, because permanent supportive housing ends up being cheaper than more expensive crisis-related services like emergency rooms, psychiatric hospitals, and jail. The council has already identified \$2.2 million for Housing First for 93 chronically homeless residents. **An additional \$2.1 million will help ensure an additional 94 households receive help in FY 2014, the first step in the Interagency Council on Homelessness’s plan to end chronic homelessness by FY 2020.**
- **Invest in Homeless Youth to Help Give Children a Safe Place to Stay and the Tools to Succeed Independently.** Nearly 300 youth seeking emergency shelter were turned away in February. This funding will support shelter beds to meet emergency needs as well as independent living programs that provide longer term housing and support services. The council has already identified \$486,000 for LGBTQ youth. **An additional \$4.6 million investment would help create a total of 125 beds and spaces in the independent living program.**

#### Giving Tax Relief To Hard-Working Residents

- **Increase the Standard Deduction.** The District’s standard deduction is a part of the DC income tax that is available to all residents, but provides the greatest benefits to families and individuals with low-and-moderate incomes. Despite the importance of these tax provisions, the DC deduction is far lower than the federal standard deduction and the standard deduction in many states. Raising the DC standard deduction to be closer to, or actually match, the federal standard deduction would help exempt a greater share of working poor families from owing DC income tax, increase the effectiveness of DC’s earned income tax

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<sup>2</sup> For more information see: <http://www.dcfpi.org/getting-dc-back-to-work-also-means-making-child-care-more-affordable>

credit for lower-income working residents, and provide substantial tax benefits to low- and moderate-income working families with incomes above poverty. This also would make DC's tax system more progressive.

### Helping Residents With The Rising Cost of Housing

- **Invest in the Tenant-Based Part of the Local Rent Supplement Program (LRSP).** While the FY 2014 budget includes increases to a number of affordable housing programs, the increases are largely focused on affordable housing *production* and a substantial share of these units will not likely be available until at least FY 2015. Tenant-based vouchers, by contrast, will be ready to be used immediately. The council has already identified nearly \$2 million which will help make 100 homes affordable to low-income families. **An additional \$5.75 million could help make 400 homes affordable for very low-income families.**
- **Increase Rapid Re-Housing for Individuals.** Rapid re-housing moves people out of shelter quickly and into housing with supportive services. With federal funding, DC was able to serve individuals through the program in prior years. Other cities have implemented rapid re-housing programs for individuals with success. The council identified \$400,000 to start a pilot program. **An investment of an additional \$600,000 could help serve even more individuals and help to move them out of shelter.**
- **Create a Centralized System to Assess Homeless Individuals and Refer to Appropriate Program.** Research has found that centralized intake is key to preventing homelessness and helping individuals leave homelessness.<sup>3</sup> It enhances the quality of client assessment and ensures that clients are provided with the services they need. It is also a requirement of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, the law that governs federal homelessness funding. **An investment of \$1 million could help create a centralized system for individuals.**

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<sup>3</sup> U.S. Interagency Council on Homelessness. [Centralized Intake for Helping People Experiencing Homelessness: Overview, Community Profiles, and Resources hudhre.info/documents/HPRP\\_CentralizedIntake.pdf](http://hudhre.info/documents/HPRP_CentralizedIntake.pdf)