



The District's Dime

Going Beyond the Budget Book

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Big Changes in the DC Council's Budget Vote

By Jenny Reed

Yesterday, the DC Council made significant changes to DC's tax system and invested new resources in homeless services, school mental health, affordable housing and other areas. These changes were in addition to budget increases in the budget submitted in April by [Mayor Gray](#) and to actions taken by individual committees in their "[mark-ups](#)" in early May.

Most notably, the Council adopted the majority of the recommendations of the D.C. Tax Revision Commission, with [substantial tax cuts](#) for both residents and businesses over the next five years. It includes significant reductions focused on low- and moderate-income residents: an expansion of the Earned Income Tax Credit for childless workers, a lower income tax bracket for middle incomes and an increase in the standard deduction and personal exemption to match federal levels.

The Council also made a number of important investments in programs for low- and moderate-income residents:

- **Homeless Services:** The Council added \$2 million to fund a new program to provide rental assistance and case management to families at-risk of homelessness, based on a successful New York City model. The budget will provide 10 new social workers at the main family homeless shelter, DC General. And the Council provided funding for a "coordinated entry" system that will improve coordination of services to homeless singles.
- **Affordable housing:** The Council added \$3 million to provide rental assistance to about 200 families who are homeless, through the Local Rent Supplement program. The Council added \$1 million to the Home Purchase Assistance Program to help low-income first time homebuyers with closing cost and down-payment assistance, and \$1 million to create a new local Low-Income Housing Tax Credit to help create new affordable housing.
- **Mental health services for DC students:** The Council added funding to provide mental health professionals in six additional schools. A recent report from the Children's Law Center found that nearly 5,000 children in DC [lack access](#) to needed mental health care. And only one-third of DCPS schools and public charter schools have a mental health professional.

- **Assistance for families with newborns:** the budget will allow parents with newborn children to collect cash assistance from the TANF program without counting against the 60-month welfare time limit, for the first 6 six months of age. The exemption helps ensure that TANF parents have the time they need to take care of their children.

The Council also left open the possibility of adding up to \$50 million to the budget in June, if the next revenue forecast shows that the District's tax collections have improved. It is likely that the Council would allocate those funds when they take the second vote on the budget support act--the legislation necessary to implement the budget — set for June 11th.

Keep an eye out in the next few weeks for DCFPI's updated budget toolkit which will provide an overview and deeper analysis of the final budget and budgets for key issue areas.