



The District's Dime

Going Beyond the Budget Book

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What's in Store for Next Year's Budget? Highlights of DCFPI's Budget Forum

By Ed Lazere

Mayor Bowser will commit \$100 million to build affordable housing next year – through the Housing Production Trust Fund – but the city faces an overall budget shortfall that will require cuts in some other services. Those are some of the takeaways from DCFPI's budget forum held last week, where we invited staff from Mayor Bowser's budget office, the office of the Chief Financial Officer, and the DC Council's budget office to discuss the city's economy and finances.

In addition, DCFPI's Wes Rivers reminded us that, despite an economy that looks strong on the surface, many residents are being left behind, facing low and stagnant wages, unemployment that has not fully come down from the recession, and the disappearance of low-cost housing in the private market. Rivers highlighted the need to fund services to help families facing these challenges, and stressed that DCFPI hopes Mayor Bowser will consider increasing revenues to meet these needs.

Steven Giachetti, Director of Revenue Estimation for the Chief Financial Officer, reported that DC's overall economy is in good shape, with an increasing population and a growing number of working residents. The city is outperforming the suburbs in key indicators, and economic growth is leading to a solid increase in tax collections. Here is Steven's [presentation](#).

Despite the good economic news, **Jenny Reed**, Deputy Director of the Mayor's Office of Budget and Finance, noted that the city faces a shortfall – expected revenues are less than what is needed to maintain existing services. Reed explained that while revenues are increasing, the growth is less than had been expected. She also pointed out that there is a shortfall partly because plans to find substantial efficiency savings over the past year largely did not materialize.

Reed noted that the mayor will commit \$100 million to the Housing Production Trust Fund, more resources to meet a rising number of students in public and charter schools, and more funding to meet the city's obligation to Metro. To fund those and deliver a balanced budget, Mayor Bowser is considering ways to scale back services or raise revenues, relying in part on ideas generated at three budget forums held this year. "Everything is on the table," Jenny said.

Angela Joyner, Deputy Budget Director, for the DC Council, explained the Council's role in the budget process and had a series of great charts on how the city raises and spends money. Joyner also highlighted the DC Council's efforts last year to approve the recommendations of the DC Tax Revision Commission, but that most of them remain unfunded. She noted that many Councilmembers are eager to see continued implementation of those recommendations. Here is Angela's [presentation](#).

Wes Rivers highlighted a number of needs that DCFPI hopes the Mayor will address – beyond her notable commitment to the Housing Production Trust Fund. This includes the family homelessness crisis and need to replace the DC General shelter, as well as looming cut off of TANF cash benefits and employment services to 6,000 families.

Rivers discussed the importance of looking for new revenue sources to meet these needs while also maintaining investments in other critical services such as health care and education. A cuts-only approach to addressing the budget shortfall would hurt efforts to continue making the city attractive to residents and businesses, and it would limit Mayor Bowser’s desire to address growing inequality in DC. DCFPI recommends using some of last year’s surplus – given that the city’s savings are now at a record-high level – as well as adopting new revenues increases, to limit the need for damaging cuts. Here is Wes’ [presentation](#).

The Mayor’s budget will be released next Thursday - stay tuned to the District’s Dime for more budget updates!