



# The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog  
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## Approved DC Budget Makes Important New Investments But Also Leaves Some Large Gaps

By DCFPI Staff

With the first vote on the DC budget for fiscal year (FY) 2017 on Tuesday, the staff of the DC Fiscal Policy Institute have returned to more mundane things, like sleeping and watering our plants. We pour our hearts and analytic skills into DC budget season every year because we know that budget decisions can make an important difference in the lives of DC residents, especially low-income residents.

The FY 2017 budget reflects a collaboration between Mayor Bowser and the DC Council and includes a number of important investments in education, housing and homeless services, nutrition, and more. There also are a number of very large gaps that remain with the adopted budget, including the need to develop a permanent TANF time limit policy to protect vulnerable families and ensure parents have enough resources to meet their children's basic needs, and chronic homelessness which will continue to be a major problem facing the city.

The highlights of the final budget include the following:

### Education & Early Education

- **Increased funding for DCPS and Public Charter Schools:** The budget includes a 2 percent increase in per-pupil funding for both sectors, after getting no increase for the current school year.
- **Early Care and Education:** The budget includes \$1.8 million to increase payments to child care providers serving low-income families, which will start to address the very low payments that make it hard to provide quality care. Another \$1.8 million will go to improve other supports to parents and early education providers.
- **Early Intervention:** The budget provides funds to serve a growing number of infants and toddlers identified as having developmental delays. But the budget does not fund a recently adopted policy to expand services and intercede even earlier, before delays get severe.
- **Healthy Tots:** The budget adds \$1 million to this program, which helps early childhood centers provide nutritious meals and snacks, use locally grown food, and strengthens standards for physical activity at these centers.

### Affordable Housing

- **Housing Production Trust Fund:** \$100 million will support the renovation or construction of roughly 1,000 affordable homes.

- **Public Housing:** \$15 million will go to repair public housing units, which have suffered from years of federal under-funding.
- **First-time Homebuyer Assistance:** The budget adds \$5 million to increase the amount of down payment assistance available to lower-income first-time homebuyers, from \$54,000 to \$80,000, and to serve more households.
- **Rental Assistance:** \$423,000 will provide rental subsidies to approximately 20 elderly returning citizens.
- **Tenant Purchase Program:** The budget adds \$544,000 for a new program that will provide seed money to tenant associations seeking to buy their building. Tenant associations would use to funds to pay for legal and technical reports required to exercise their tenant opportunity to purchase (TOPA) rights and to apply for assistance from the city under the [First Right Purchase Program](#).

## Homeless Services

- **New Shelters for Families:** The budget includes \$105 million to replace the dilapidated DC General Family Shelter and one of the District's apartment-style shelters. The shelters will be replaced with seven smaller shelters spread across the city.
- **Permanent Supportive Housing for Single Adults:** The budget adds \$6.6 million to help 425 chronically homeless adults get into Permanent Supportive Housing (PSH), but no new funds for families with children. PSH provides housing and intensive support services to homeless residents who face significant challenges, like chronic physical or mental health issues. The FY 2017 budget still leaves a need for PSH for 230 families. The budget also leaves a need for 655 single adults, which means that chronic homelessness will continue to be a challenge for years to come.
- **Targeted Affordable Housing:** The budget adds \$5.6 million to help 141 single adults and 205 families. This program helps residents who either need help paying rent after their short-term Rapid Re-Housing subsidy ends, or who are in PSH and no longer need intensive services but still need help paying rent.
- **Rapid Re-Housing:** The budget adds \$1.8 million to add 284 family Rapid Re-Housing (RRH) slots for families, but no new assistance for individuals who are homeless. RRH provides housing search assistance, supportive services, and short-term rental assistance, generally up to 12 months. The budget leaves a gap of about 2,000 RRH slots for singles.
- **Homelessness Prevention:** The budget adds \$1 million to a recently implemented program that has shown early success at helping families avoid the need to enter shelter. New funding will serve about 400 families.
- **Rental Assistance Pilot Program:** The budget allocates \$1 million for a new program to help formerly homeless residents who are working fill the gap between their income and their rent. The program will be specifically designed to meet the needs of residents with uneven income over the year, like those who do day labor.
- **Homeless Youth:** The budget adds \$2.3 million in services for unaccompanied homeless youth, including prevention, family reunification, crisis beds, transitional housing, and independent living programs.

## Supports for Working DC Residents

- **Increases to Unemployment Insurance Benefits:** The maximum weekly UI benefit will rise from \$359 to \$425, the first increase in 11 years. This and other provisions will help boost UI benefits for some of the lowest wage and most vulnerable workers.
- **Enforcement of Workers' Rights:** The budget adds one staff member to the Office of Wage Hour to increase education and enforcement of DC's labor laws. However, it won't be nearly enough to ensure adequate enforcement of recently passed worker benefits and protections, including increases to the minimum wage, paid sick and safe leave, new penalties for "wage theft" when employers fail to pay workers fully, and protecting workers from discrimination.

## Health and Nutrition

- **Produce Plus:** The budget adds \$950,000 to expand the Produce Plus program, which helps low-income residents buy fresh fruits and vegetables at farmers' markets.
- **Healthy Tots:** The budget adds \$1 million to the Healthy Tots program, which helps early childhood centers provide nutritious meals and snacks, use locally grown food, and strengthens standards for physical activity at these centers.
- **Other Nutrition Supports:** The budget adds \$380,000 to further expand Joyful Markets, to support pop-up food markets in all public elementary schools in Ward 7 and Ward 8. It also adds \$250,000 for a program that helps corner stores sell fresh produce.

## Assistance for Residents with Disabilities

- **Interim Disability Assistance:** The budget removes \$1 million from the Supplemental Security Income (SSI) Payback Fund, a dedicated fund for the Interim Disability Assistance (IDA) program, which supports low-income residents with disabilities. IDA provides temporary cash benefits to individuals who have applied for federal SSI disability benefits and are awaiting an eligibility determination. When an individual is approved for SSI, the federal government reimburses the District for the IDA benefit the individual received. These reimbursement dollars are put into the SSI Payback Fund so the District can provide benefits for future IDA applicants. The \$1 million reduction translates to roughly 300 residents with disabilities who will be unable to get IDA assistance in 2017. The budget allocates \$500,000 from the SSI Payback Fund to fund the SSI application system. The SSI application is incredibly complicated and applicants are more successful if they receive assistance with their applications.

## Domestic Violence

- In the Department of Human Services (DHS) budget, the budget increased funding for domestic violence housing and services by \$719,000 in recurring local funds to help replace funds lost when the Freddie Mac Foundation closed.

- The Crime Victim’s Assistance Fund (VAF), a special fund administered by the Office of Victim Services that consists of fees and other transfers from the Court will be maintained in FY 2017. The proposed budget removed \$2.6 million transfer from the VAF, but the Council restored these funds.

### **Adopted Budget Leaves Some Major Gaps**

While the FY 2017 budget will make significant progress, it also leaves significant gaps in critical services for low-income residents.

- **Chronic Homelessness Will Remain:** The budget does not fund enough housing to meet the goal of ending chronic homelessness in 2017.
- **Families on TANF Will Remain in Limbo:** The budget maintains assistance to 6,200 families who have received assistance for more than 60 months – avoiding a cliff. But they will be left at reduced benefits of about \$150 a month, which will be a challenge, especially for the two-thirds of TANF families who do not receive housing assistance. The budget did not make any reforms to provide extensions – and higher benefits – to families who need more time to succeed, such as families who are experiencing homelessness or doing what is expected of them but are still unable to find a job.
- **No Progress to Reduce DC’s Long Housing Wait List:** The budget provides no new rental vouchers to help households pay the rent at private market apartments. This means the District will not be able move some of the 41,000 families on the DC Housing Authority waiting list into affordable homes.
- **No Change to Rules that Restrict Access to Health Care for Immigrants:** The Healthcare Alliance provides health insurance coverage to low-income residents who are not eligible for Medicaid, including immigrants who are ineligible for Medicaid under federal law. Program rules adopted in 2012 have made it hard for eligible residents to maintain their health coverage, leading to a large drop in participation. Despite clear indications of this problem, the FY 2017 budget takes no steps to improve access to the Alliance.
- **Child Care Remains Underfunded:** A recent [report](#) by the DC Fiscal Policy Institute and DC Appleseed cites the need for at least \$38 million more to help providers cover the costs of providing quality early care and education. The FY 2017 budget addresses only a small portion of the gap.
- **No Transportation Subsidies for Adult Learners:** With the cost of transportation consistently being cited as a huge barrier for adult learners to complete their educational programs, we are disappointed that nothing was done to assist these students in the cost of attending school.