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NEWS RELEASE

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Mayor's Budget Focuses on Tax Cuts Instead of Serving Needy Residents, Groups Note

A number of organizations that work to address economic and racial disparities in the District expressed frustration today that Mayor Bowser's proposed FY 2018 budget includes \$100 million in tax cuts, while leaving significant funding gaps for a number of key programs that could address poverty, homelessness, and other struggles disproportionately facing poorer District residents and residents of color.

The organizations that shared this press release include Bread for the City, Children's Law Center, DC Alliance of Youth Advocates, DC Fiscal Policy Institute, Jews United for Justice, and Miriam's Kitchen.

The fiscal year (FY) 2018 budget proposed yesterday by the Mayor makes only modest new efforts to tackle DC's affordable housing crisis, fails to fully fund efforts to end chronic homelessness, funds schools well below the level considered adequate, and offers no major new investments for infants and toddlers in families with low incomes, among other gaps.

"Instead of devoting our money to housing, schools, and other services, the budget puts tax cuts first," said Ed Lazere, Executive Director of the DC Fiscal Policy Institute. "Mayor Bowser's budget does not live up to her own goal of 'inclusive prosperity'—ensuring that all DC residents benefit from our growing economy—and we call on the Council to do more."

DC's tax collections are growing rapidly due to an expanding economy, but the Mayor and Council are currently operating under a rule they adopted three years ago that put tax cuts ahead of everything else—even urgent needs—as DC revenues grow. That policy dictates that whenever DC's revenue projections increase, all new revenue goes to implement a series of tax cuts through an automatic "trigger."

This policy could have been put on hold by Mayor Bowser, freeing up \$100 million to invest in schools, housing, and other needs. Last week, 92 organizations sent a [letter](#) to Mayor Bowser to delay these tax cuts for the coming year, to make sure there is enough money in the upcoming 2018 budget to meet the needs of the most vulnerable residents and the city's urgent challenges—including housing and schools—and to address the impact of federal budget cuts.

The groups expressed concern that the Mayor did not delay the tax cuts, leaving a number of critical services under-funded in the FY 2018 budget:

- **Chronic Homelessness:** The city's plan to end chronic homelessness calls for almost 960 new housing subsidies this year, but the budget would provide less than one-third of that: 262. This

means that DC residents experiencing homelessness will be forced to continue to live on the streets or in shelters, increasing their risk of dying without the dignity of a home.

- **Schools:** The proposed budget would increase per pupil funding 1.5 percent, even though a task force that Mayor Bowser herself convened called for a 3.5 percent increase. Funding schools at a level deemed fully adequate would require a 14 percent increase.
- **Affordable Housing:** DC's large and worsening affordable housing shortage threatens the stability and survival of thousands of families who don't earn enough to afford skyrocketing market-rate rents. Making sure these families have homes will take hundreds of millions, which in turn will take years of sustained budget increases. Yet the proposed budget puts no new funding into DC's rental assistance program (LRSP), the tool that is most critical to serving families struggling with poverty, outside of homeless services plans. The budget maintains \$100 million for the Housing Production Trust Fund and funds a new \$10 million "housing preservation" fund, but leaves tens of thousands of DC families on the housing wait list, living in uncertainty and paying most of their meager incomes each month to maintain their apartment.
- **Infants and Toddlers:** The budget does little to support the development of young children, especially in low-income families. The budget proposes expanding market-rate child care capacity for 1,300 more children, but does nothing to improve the quality of child care for low-income infants and toddlers. It also does not take steps to move forward with the paid family leave program adopted in 2016.
- **Youth Services:** The FY 2018 budget provides \$2.4 million to help youth experiencing homelessness, far less than the \$5.7 million recommended in the Homeward DC plan to address homelessness. The budget fails to fund requests for transportation assistance for adults in adult education classes—despite recommendations from the Deputy Mayor for Education—or for re-connecting youth.
- **Health:** The budget leaves in place a provision within the Healthcare Alliance program that requires all participants to visit a DC social services center every six months just to maintain coverage. This burden, which led to a substantial drop in participation, is not placed on participants in Medicaid or similar programs.

"The administration's proposed budget would do nothing to stem the tide of President Trump's proposed housing cuts," said George Jones, Executive Director of Bread for the City. "Though the administration talks about 'inclusive prosperity' for all, its proposed budget would undermine the well-being and access to opportunity of the tens of thousands of Washingtonians living on low incomes who are served by Bread for the City. The budget offers not prosperity, but austerity."

"While the ability to end chronic homelessness for 262 residents is certainly a good thing, we are disappointed that the Mayor's budget proposal falls so short of what's needed to accelerate progress outlined in Homeward DC," said Lara Pukatch, Director of Advocacy at Miriam's Kitchen. "People are dying of preventable and manageable diseases that could be addressed through safe, stable housing and services. We urge the DC Council to fund these lifesaving housing interventions so that we can reach the day when no DC resident is denied the dignity of a home."

The groups pointed out some very important ways in which the Mayor's proposed budget makes notable progress towards inclusive prosperity. This includes a proposal to protect 10,000 children in DC's TANF program from being cut off from assistance and to permanently resolve long-standing concerns with the TANF time limit. This proposal is based on recommendations developed by a working group convened by the Bowser administration in 2016. The new policy would ensure that parents facing economic hardship always have resources to meet their children's basic needs.

In addition, the Mayor's proposed budget provides a new \$10 million investment to preserve existing affordable housing that is at risk of being lost. Preserving the existing low-cost housing in the District is an incredibly important part of ensuring that all DC residents can afford to stay here.

The groups call on the DC Council to modify the Mayor's budget and adopt a final budget that uses the city's growing resources to help families left behind by DC's rapid growth, gentrification, and rising housing costs. The Council will start reviewing the budget this week and then have the months of April and May to modify it, before a vote on May 30.

"At a time of acute uncertainty, the 2018 budget is an opportunity to show that the District of Columbia stands strong with our most vulnerable and already under-resourced residents," said Maggie Riden, Executive Director of the DC Alliance of Youth Advocates. "It is our shared hope that through the Council budget process we will have a final budget that reflects in practice the values, beliefs, and principles we articulate."

"Our community is asking the Mayor and Council to put the people of this city first," said Jacob Feinspan, Executive Director of Jews United for Justice. "Jews United for Justice sent dozens of our leaders to the Mayor's public budget forums to make it clear that as a city we should be spending on those who have almost nothing before we spend on tax give-backs to those who have almost everything. We implore the Council and Mayor to listen to what we and the rest of the city really want."

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