



The District's Dime

Going Beyond the Budget Book

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Mayor Bowser Will Need to Find More Revenue To Avoid Deep Cuts in Services

By Ed Lazere

Unless Mayor Bowser can find additional resources, it is likely that she will have to cut many services that DC residents and businesses count on. That's why it makes sense to use some of last year's surplus and to consider other new sources of revenue to maintain investments that matter to the quality of life in the District.

The mayor faces a serious challenge as she puts together her first budget: The city currently doesn't have enough money to maintain schools, health care, and other important services and to make progress on critical issues such as providing more affordable housing and combating homelessness.

City leaders have known since last year that tax collections for 2016 would not be enough to pay all of our bills. DC's Chief Financial Officer reported last week that taxes are now coming in a little higher than expected – by about \$40 million – but that still leaves the city \$200 million short of what is needed to fund services, from public safety to libraries to job training. That gap is about the size of the Fire and Emergency Medical Services budget.

Beyond that, Mayor Bowser has committed to addressing important challenges, especially affordable housing and homelessness, and she faces rising costs in areas such as Metro and possible school enrollment increases. These create an even larger gap between expected revenues and the services that the mayor wants to provide.

How Mayor Bowser addresses these challenges will have a big impact on us all. Will DC public schools and public charter schools have to make cuts? Will we be able to start closing down the troubled DC General homeless shelter? Will police, firefighters, and libraries have the resources they need to serve DC residents well? Will parents have a robust set of summer recreation options for their children?

A cuts-only approach would hurt efforts to continue to make the city attractive to residents and businesses, and it would limit Mayor Bowser's desire to address growing inequality in DC. That's why she should look for ways to raise additional revenues and limit the need for damaging cuts.

- **Use Last Year's Surplus:** The District set aside over \$1 billion in savings over the past four years, bringing our fund balance to a record high. Using some of the recent \$200 million surplus could support a range of one-time investments, such as helping families facing eviction or utility shutoffs, helping moderate-income residents buy their first home or adding to library collections.

- **Find ways to raise additional revenues.** At recent forums held by Mayor Bowser across the city to get input on budget priorities, many residents voiced support for raising taxes if that is needed to maintain funding for top priorities like education.