

The logo features a light blue silhouette of the District of Columbia map. The letters "DC" are printed in a bold, dark blue font over the top-left portion of the map. A dark red horizontal line extends from the right side of the "DC" text across the top of the slide.

**DC**

# Fiscal Policy Institute

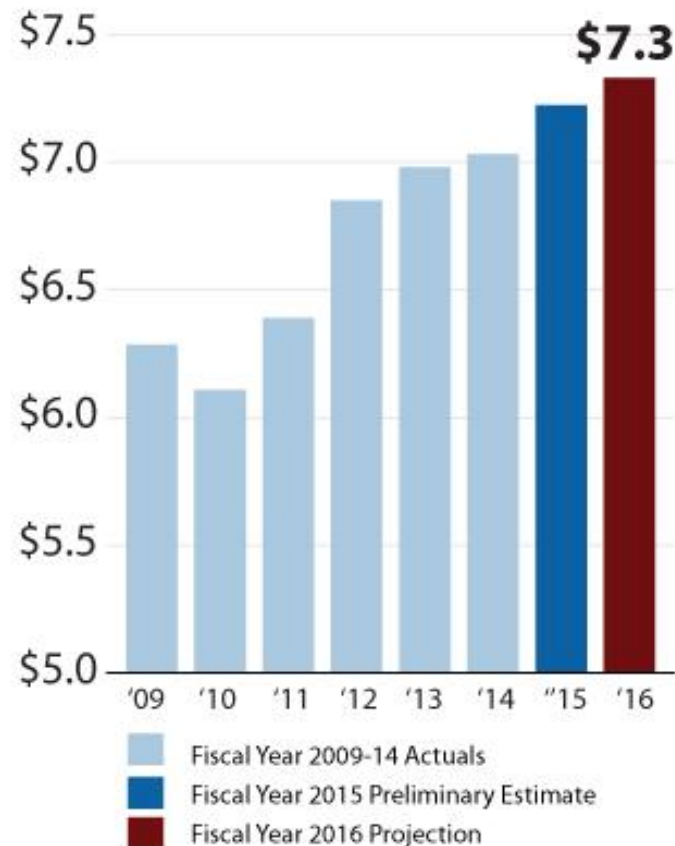
## What's In Store for the FY 2016 DC Budget?

Wes Rivers ([rivers@dcfpi.org](mailto:rivers@dcfpi.org))  
March 19, 2015

# DC's Revenue Collections Are Strong

## DISTRICT REVENUES

*In billions*



\*Figures are adjusted for inflation to equal FY 2016 dollars

Source: Office of Revenue Analysis,  
cfo.dc.gov

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# DC's Fund Balance Is At An All-Time High

## GENERAL FUND BALANCE

*In billions*

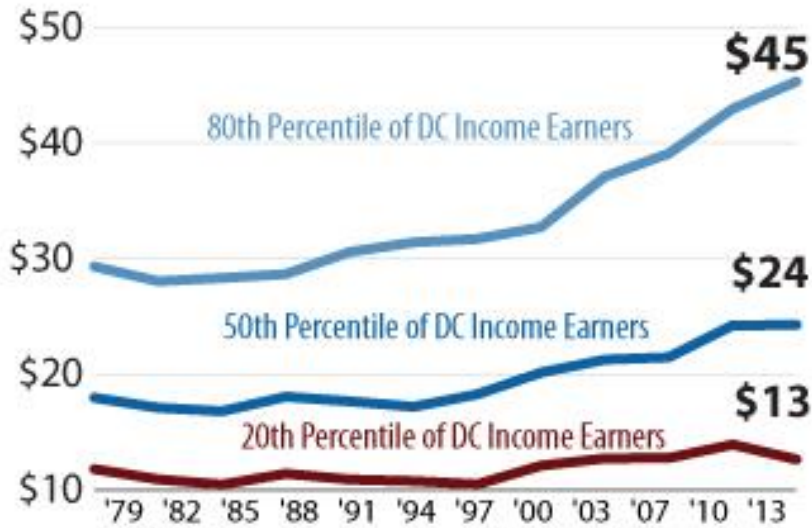


Source: Office of the Chief Financial Officer, [cfo.dc.gov](http://cfo.dc.gov)

# While DC's Finances May Have Recovered, Many Groups of Residents are Being Left Behind

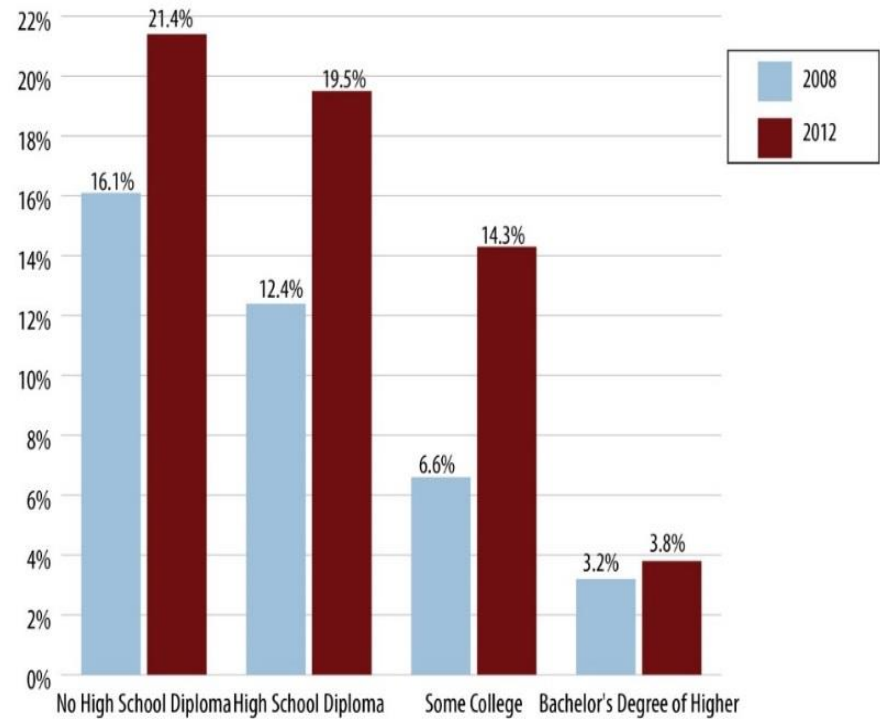
## Wage Gap is At an All-Time High

Wage Growth In DC By Decile Since 1979



Source: Economic Policy Institute analysis of Current Population Survey data  
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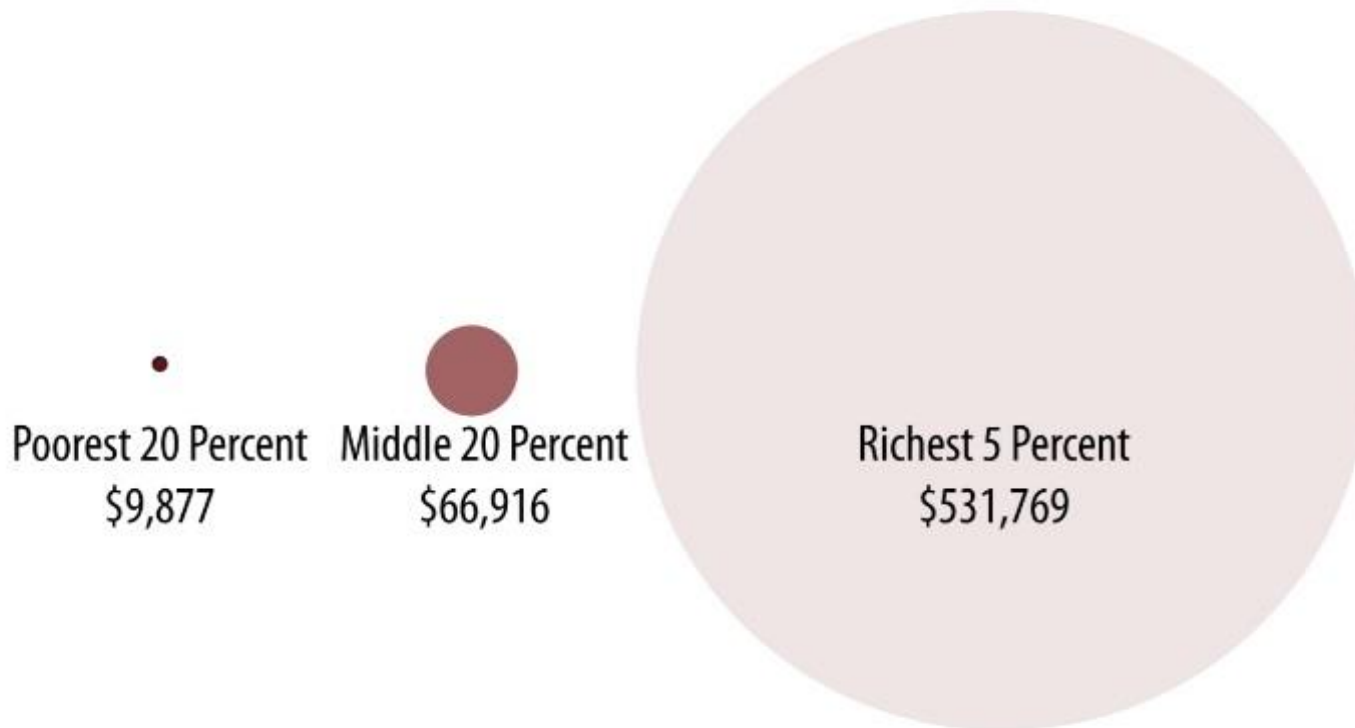
## Unemployment is High For Those Without a College Degree



Source: Economic Policy Institute Analysis of Current Population Survey data

# DC Has the 4<sup>th</sup> Highest Level of Income Inequality Among Major U.S. Cities

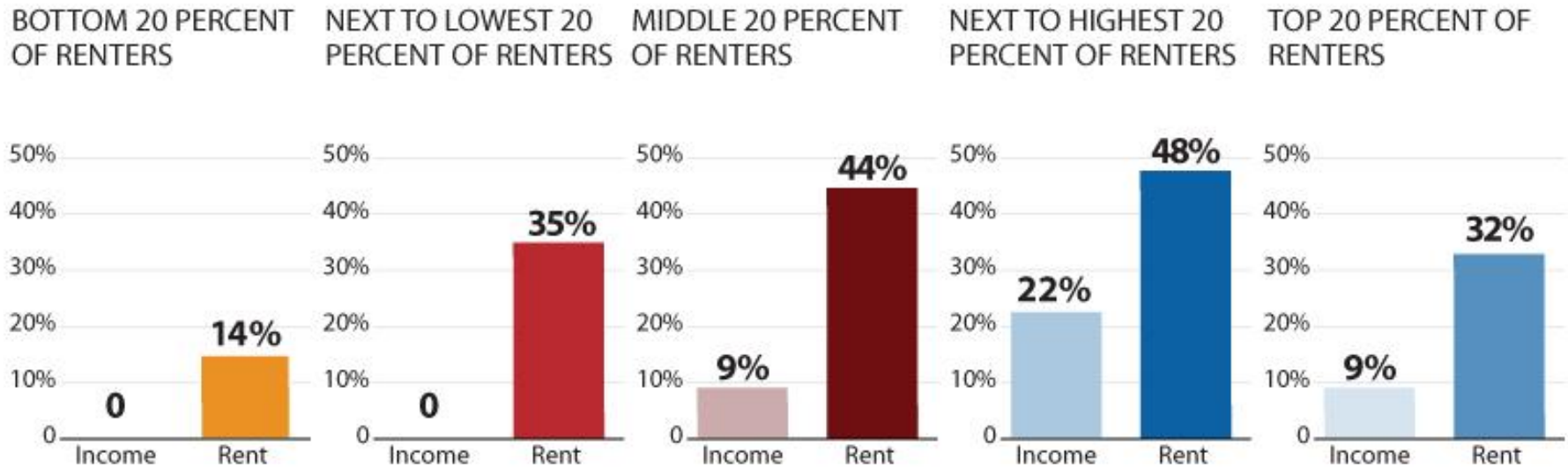
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The richest 5 percent of DC households have an average income nearly 54 times as large as the bottom 20 percent of households and nearly 7 times as large as the middle 20 percent of households

# DC Faces An Affordable Housing Crisis

## Percent Changes in Income and Rent for District Renters



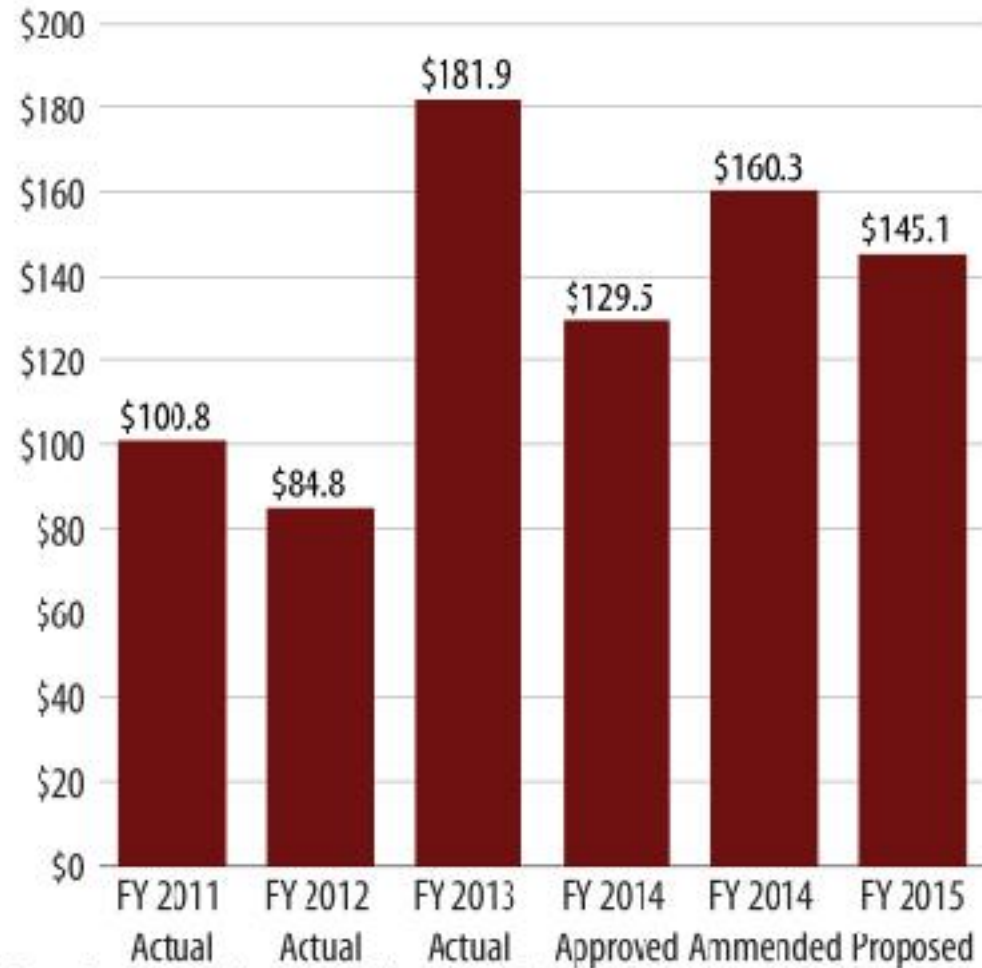
Source: DCFPI Analysis of 2002-13 American Community Survey, US Census Bureau

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# Funding in Affordable Housing Peaked in FY 2013



Source: Proposed FY 2013 to FY 2015 Budget and Financial Plan  
Numbers in millions and adjusted for inflation to equal 2015 dollars

# Other Challenges to Maintaining Stability and Provide Opportunity for Residents

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- ▶ 13,000 children will lose access to Temporary Assistance for Needy Families in October 2015
- ▶ Resources are needed to meet the dramatic rise in family homelessness or the needs of residents who are chronically homeless
- ▶ DC's traditional and charter schools face rising costs with no inflation adjustments to the per-pupil funding formula



# The FY 2016 Budget Gives Mayor and Council an Opportunity to Close the Gap

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## New \$50 million investment in housing

- ▶ Will bring funding close to \$100 million for the Housing Production Trust Fund

## Expand the Local Rent Supplement Program (\$10 million)

- ▶ Will help residents pay the rent through tenant and project based subsidies.

## Avoid cutting families off of TANF benefits due to flawed time limits and allow them to continue receiving services and benefits

- ▶ Will help DHS have time to develop better time-limit policy

# The FY 2016 Budget Gives Mayor and Council an Opportunity to Close the Gap

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## Invest in a new homeless family shelter system

- ▶ Replace DC General and help to operate smaller, scattered site shelters

## Put DC on track to end chronic homelessness by 2017

- ▶ Fund permanent supportive housing which helps people with complex mental and physical health conditions (\$9 million)
- ▶ Fund Rapid Re-Housing Program with rental assistance and case management
- ▶ Help providers take coordinated referrals

# How Should Mayor & Council Pay For These Needed Priorities in the FY 2016 Budget?

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- ▶ **Spend Some of the Surplus**
  - ▶ FY 2015 had a \$200 million surplus
  - ▶ Some of these funds can help close the gap in the short-term
  
- ▶ **Raise Revenue in Fair Way**
  - ▶ DC has some of the lowest taxes in the region
  - ▶ Additional tax rates at the high end of our income tax or raising property taxes on the highest value homes can raise significant revenue in an equitable way