



HOMELESS  
SERVICES



JOBS &  
TRAINING



HEALTH CARE



TANF



AFFORDABLE  
HOUSING



TAXES &  
REVENUE



EARLY CHILD &  
PRE-K TO 12  
EDUCATION



INTERIM  
DISABILITY  
ASSISTANCE

# DC's Proposed Fiscal Year 2018 Budget



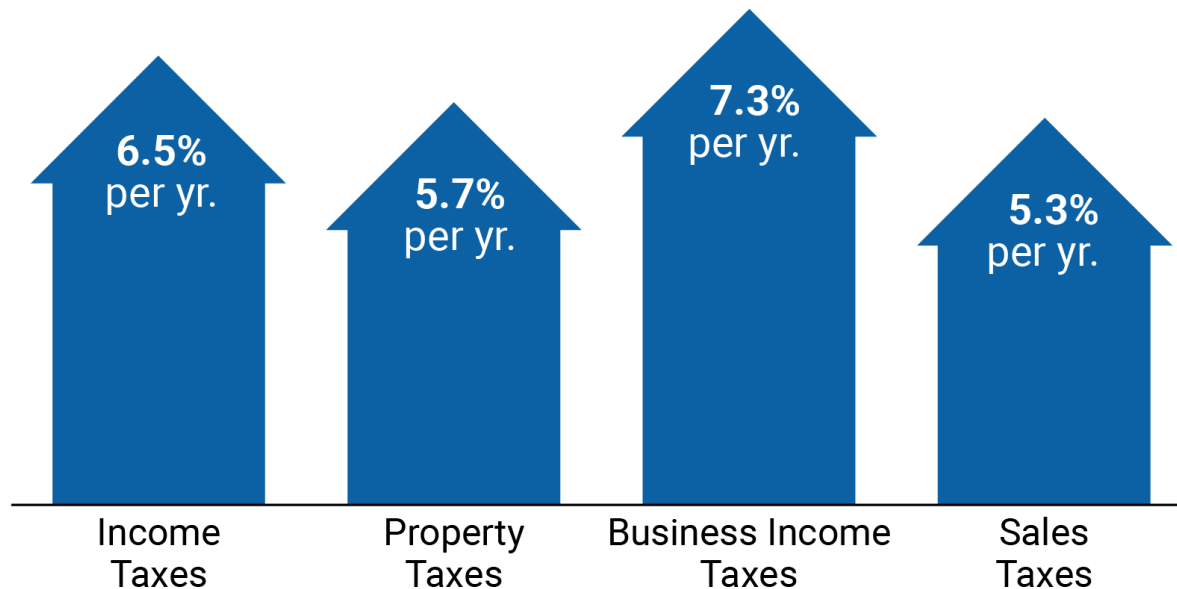


# TAXES & REVENUE

# DC's Strong Finances: Taxes

**In the last 9 months, expected revenue for 2017 & 2018 rose \$200 million**

**Tax Collections are Growing (2011 - 2018)**



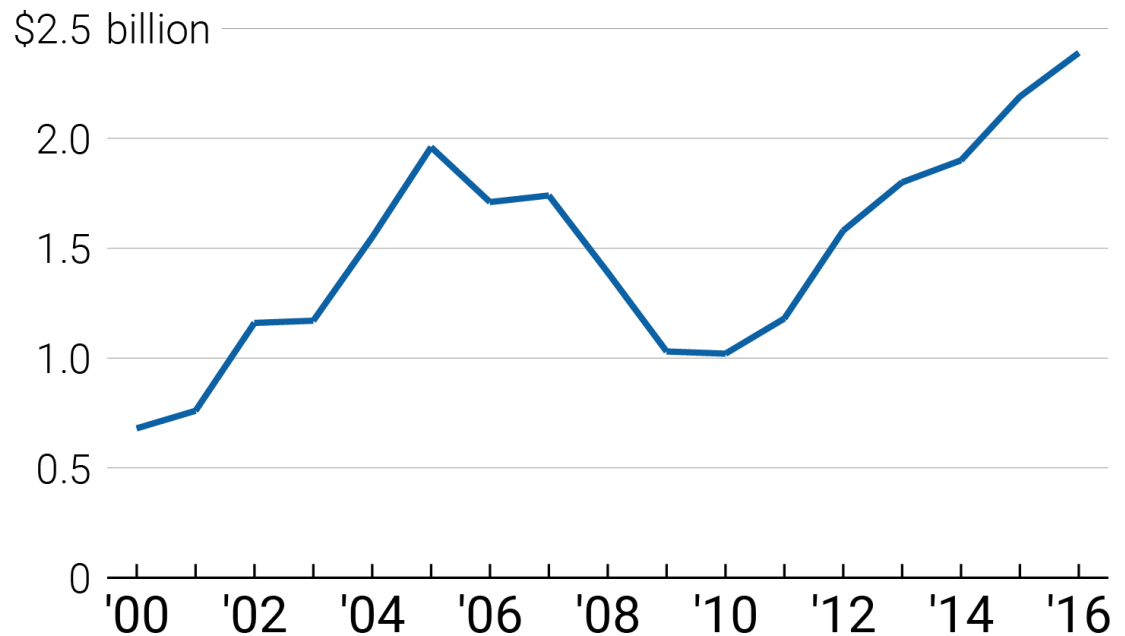
Source: Fiscal Year 2011-18 Budget & Financial Plans.

# DC's Strong Finances: Fund Balance

**DC's fund balance is growing due to annual budget surpluses.**

**But due to a save-all-surpluses policy, none can be used for housing, schools, etc.**

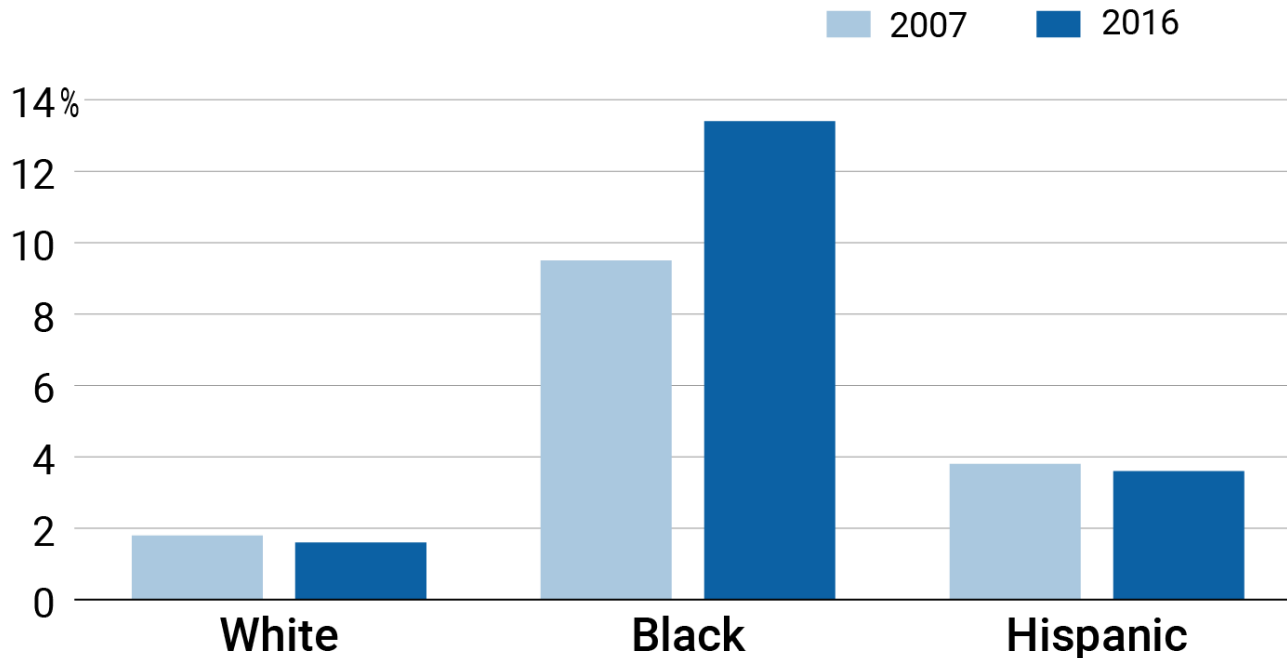
## General Fund Balance At Historic High



Note: All figures adjusted for inflation to equal fiscal year 2016 dollars.  
Source: Fiscal Year 2000-16 Comprehensive Annual Financial Reports, Chief Financial Officer.

# Not Everyone is Benefiting from DC's Strong Economy

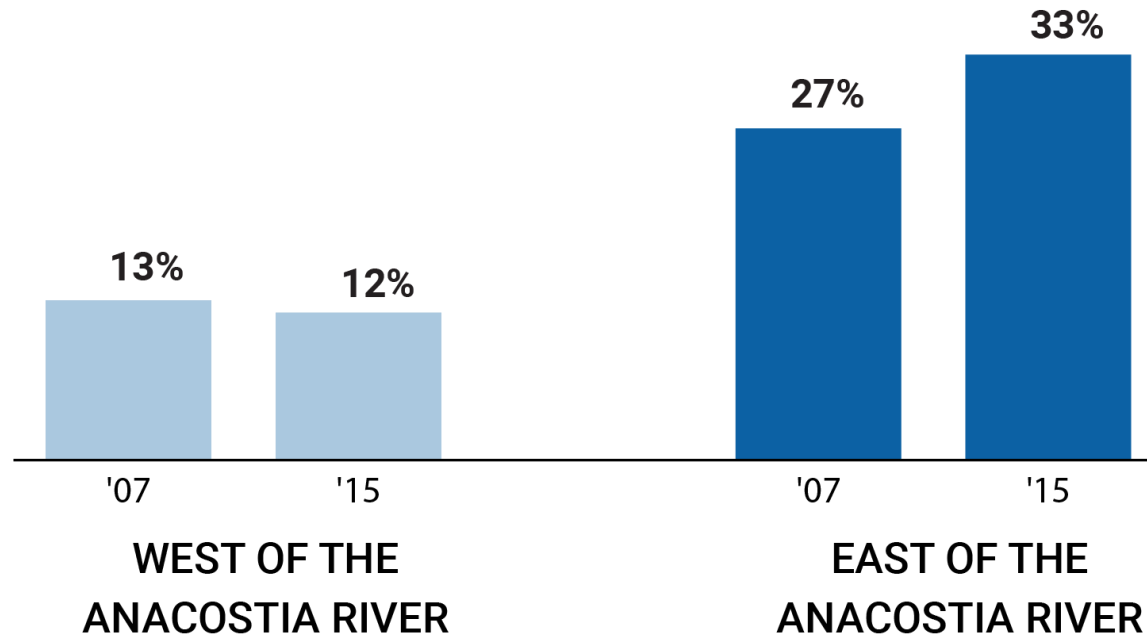
## DC's Black-White Unemployment Gap Has Grown



Note: Unemployment rate is for the population aged 16 to 64.  
Source: DCFPI analysis of Current Population Survey data.

# Not Everyone is Benefiting from DC's Strong Economy

Poverty East of the River Is Higher Than A Decade Ago



Source: US Census Bureau American Community Survey 2015 1-year estimates

# **FY 18 Budget Addresses Fundamentals, But Makes Little Progress on Key Challenges**

## **\$100 Million in Tax Cuts Made it Hard to Do More**

- **The budget makes modest progress on housing, homelessness, schools**
- **The budget does not propose many notable new initiatives to address DC's racial and economic disparities**

## **The Proposed FY 2018 Budget Addresses:**

- **Rapidly rising school enrollment**
- **Metro's need for more resources**
- **An ongoing hole in the shelter budget for hypothermia season**



TANF



# Major TANF Victory: Protects Children

## Rigid Time Limit Adopted in 2011:

- No hardship extensions
- 10,000 children at risk of cut-off this year
- Mayor/Council have struggled to resolve

## Budget Adopts Mayoral Workgroup's "Preferred Option"

- Child's portion can never be cut
- Parent's portion can be cut for not complying with TANF rules

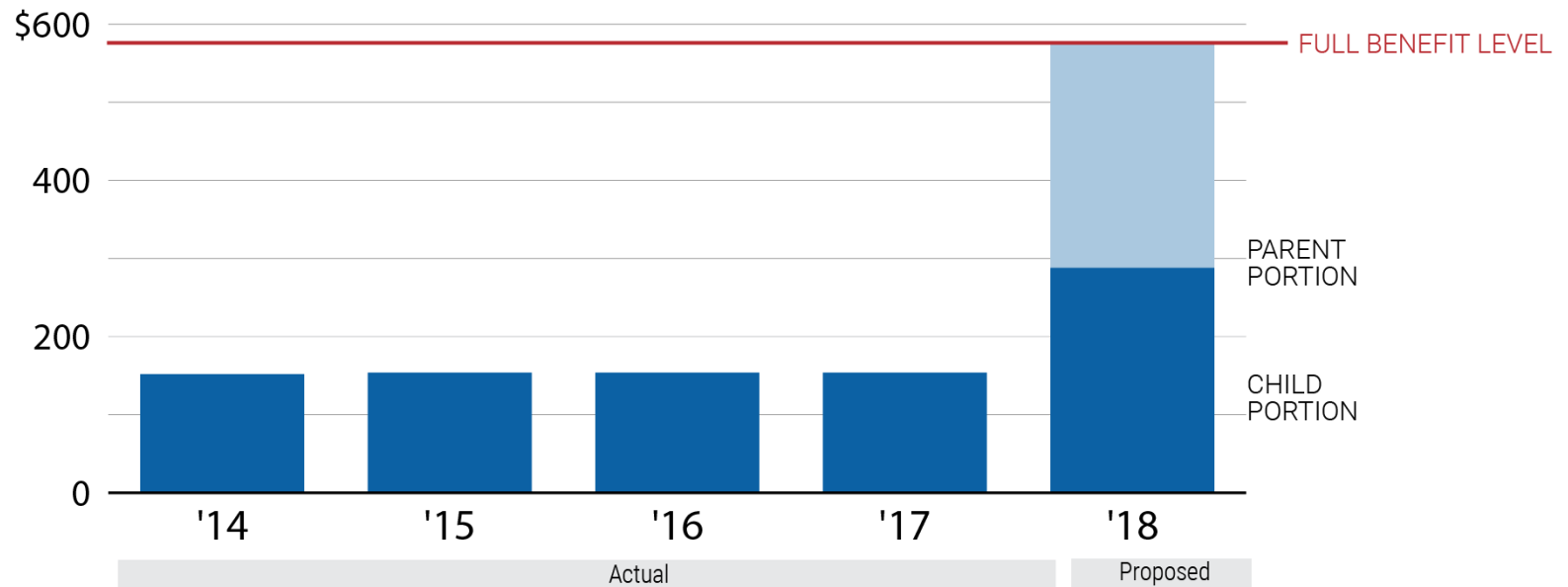
## Budget Still Leaves a Gap

- Budget proposes that half of a family's grant could be cut (parent portion)



# Eliminating Time Limits Will Greatly Increase Resources for TANF Parents to Care for their Children

Monthly benefits after 60 months, for a family of three



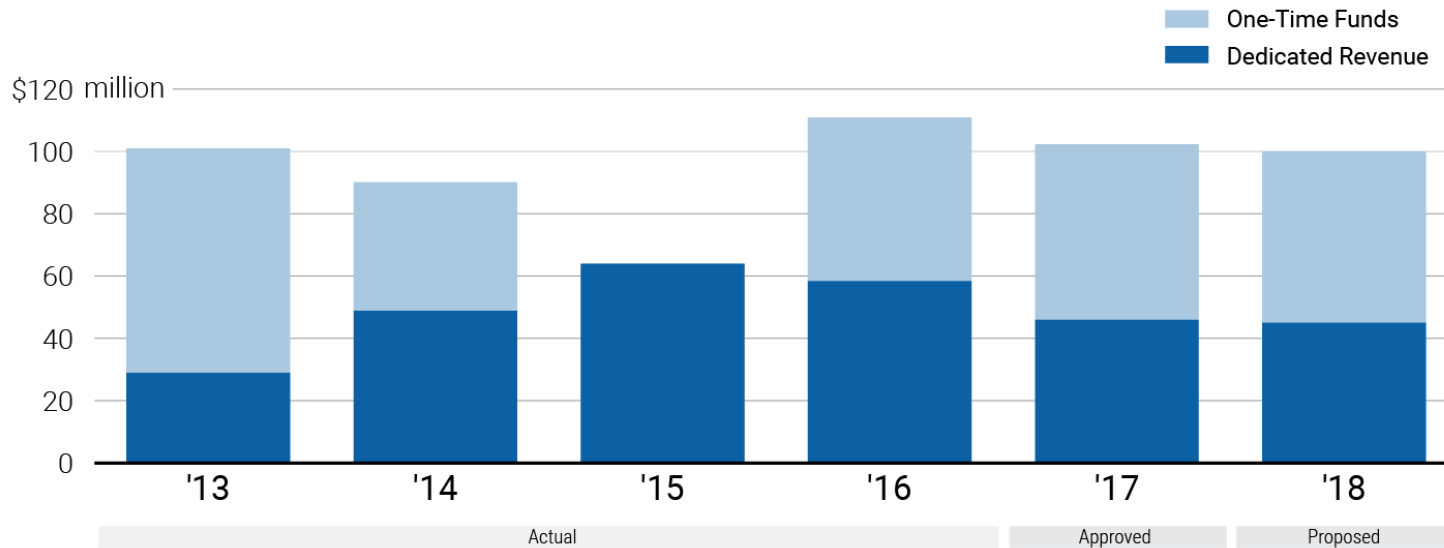
Source: Fiscal Year 2015-18 Budget & Financial Plans.



# AFFORDABLE HOUSING

# Housing Production Trust Fund Investment Maintained

## Supports 1000 Homes and Public Housing Repairs



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2015-18 Budget & Financial Plans.

# Affordable Housing: Investments Maintained, But More is Needed

## **New in the Budget**

**\$10 million for Affordable Housing Preservation Fund (details unclear)**

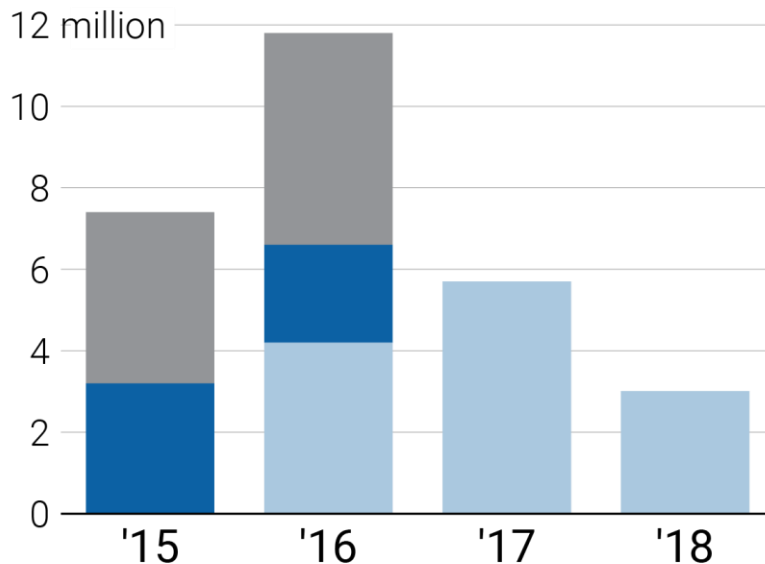


# Affordable Housing: Budget Still Leaves Gaps

## Small Increase in Rental Assistance, But No New Funds for Two Key Programs

Increase in approved budget from previous fiscal year

- Tenant-Based Local Rent Supplement Program
- Project/Sponsor-Based Local Rent Supplement Program
- Targeted Affordable Housing



**No new funding for rental vouchers *to take families off wait list***

**No new funding for rental aid tied to Trust Fund *to make homes affordable for the poorest families***

Note: All figures adjusted for inflation.

Source: Fiscal Year 2015-18 Budget & Financial Plans; Committee Reports.



# HOMELESS SERVICES

# Homeless Services: Not Enough Progress



## Singles

- Budget meets **less than a third the need** to end chronic homelessness
- No new Rapid ReHousing

## Families

- Budget meets **just 40%** of need

## Youth

- Budget funds **less than half** of Year 1 of the new 5-year plan

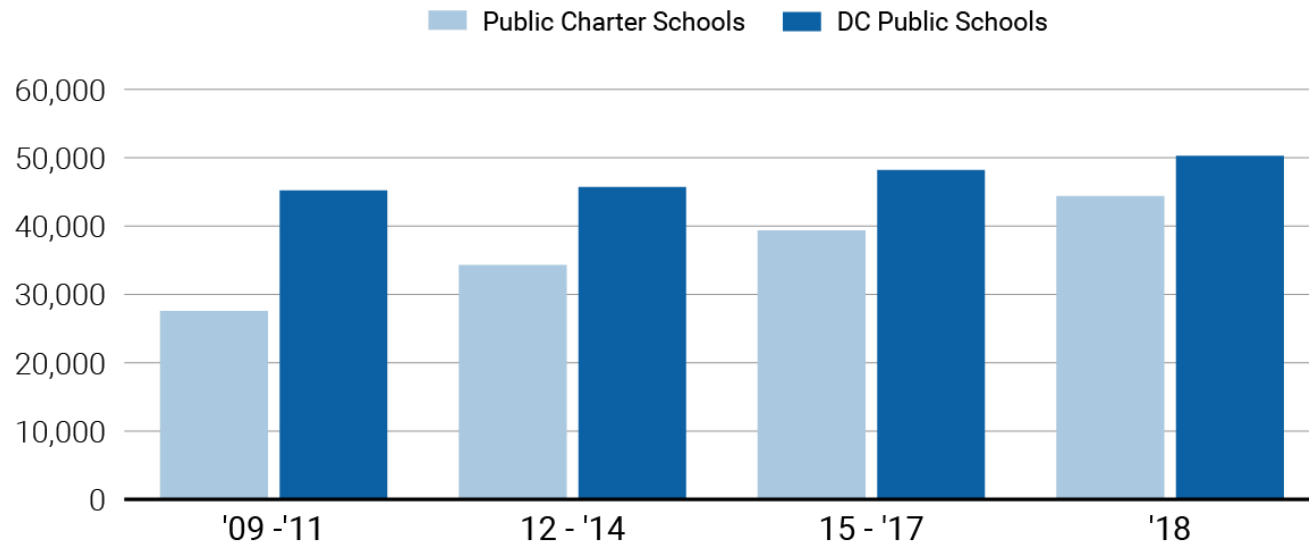




# PRE-K TO 12 EDUCATION

# Schools: Substantial Increase Needed Just for Enrollment Growth

Public School Enrollment Steadily Rising to Over 90,000 Total Students

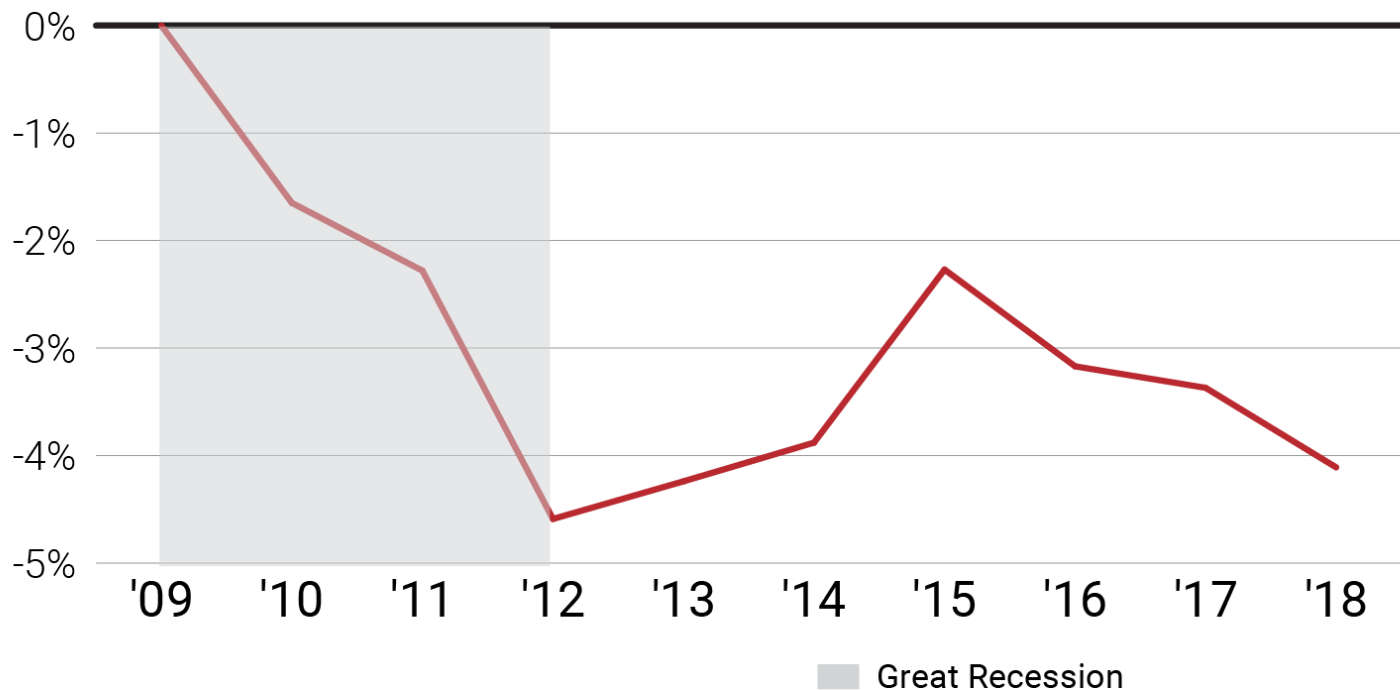


Note: All figures adjusted for inflation.  
Source: 2009 - 17 School Enrollment Audit; Fiscal Year 2018 Budget & Financial Plans.

- **Most of the \$100 million added for schools is for growing enrollment**
- **Most of the growing enrollment is in public charter schools**

# Modest Increase in Per-Pupil Funding Still Below Pre-Recession Level

Percent change each year, adjusting for inflation.



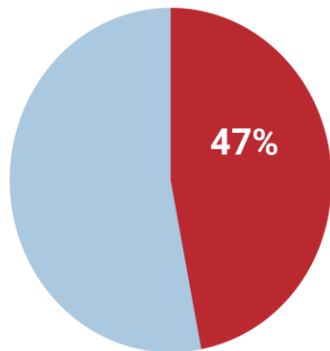
Note: All figures adjusted for inflation.  
Source: Fiscal Year 2015-18 Budget & Financial Plans.

# Impacts of Insufficient Per-Pupil Funding Increase

- Many schools will still use “at-risk funds” for core services
- Some public charters still using at risk to replace lost summer school funds

## Almost Half of DCPS “At-Risk” Funds Used Incorrectly on Core Services in Fiscal Year 2017

- Used to ‘Supplant’ Core School Function
- Targeted At-Risk Use



Source: Analysis of DCPS' initial budget allocations for FY 2017 by Mary Levy, April 2016

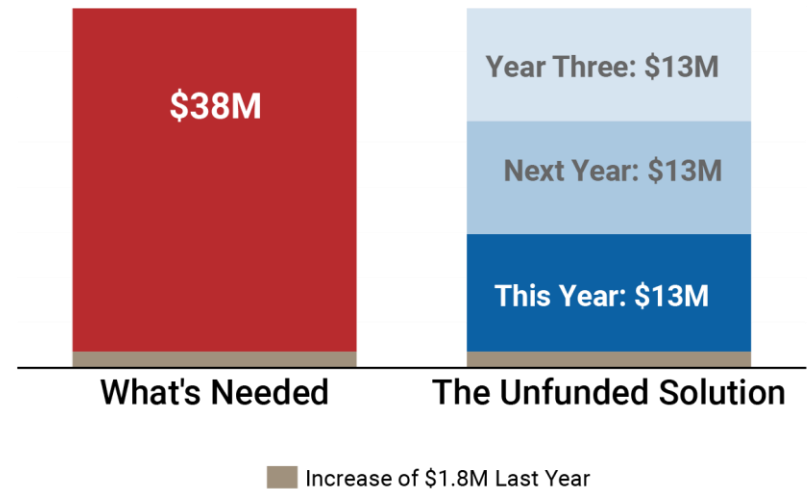


EARLY  
CHILDHOOD  
LEARNING

# Early Education: Budget Expands Child Care Spaces, But Not For Low-Income Children

**\$15 Million** for Child Care Spaces &  
1,300 Expected New Seats

**But No Effort to Address Funding  
Gap in Subsidy Program** that limits  
quality for providers largely serving  
low-income children



Source: "Solid Footing", DC Fiscal Policy Institute & DC Applesseed



# JOBS & TRAINING

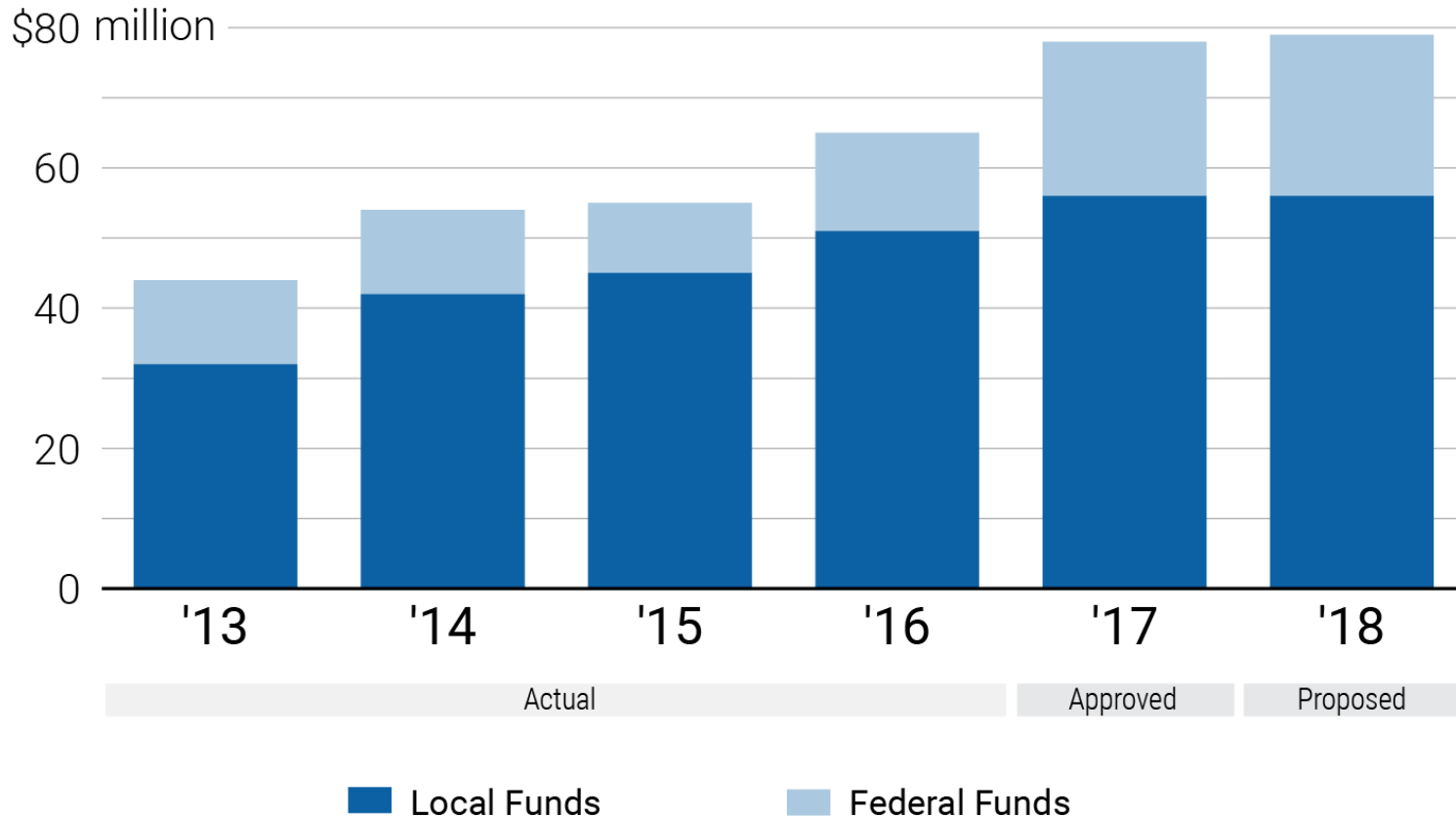
# Job Training & Education



- **Focus on Subsidized Jobs**  
Cont'd investment in LEAP Academy & Career Connections  
New office: Dept. of State Initiatives
- **Paid Family Leave**  
No money to develop IT system & other start-up needs
- **No Transportation Subsidies**  
Budget does not meet advocate/DME recommendation for \$1.5M for “Adult Learners Ride Free”

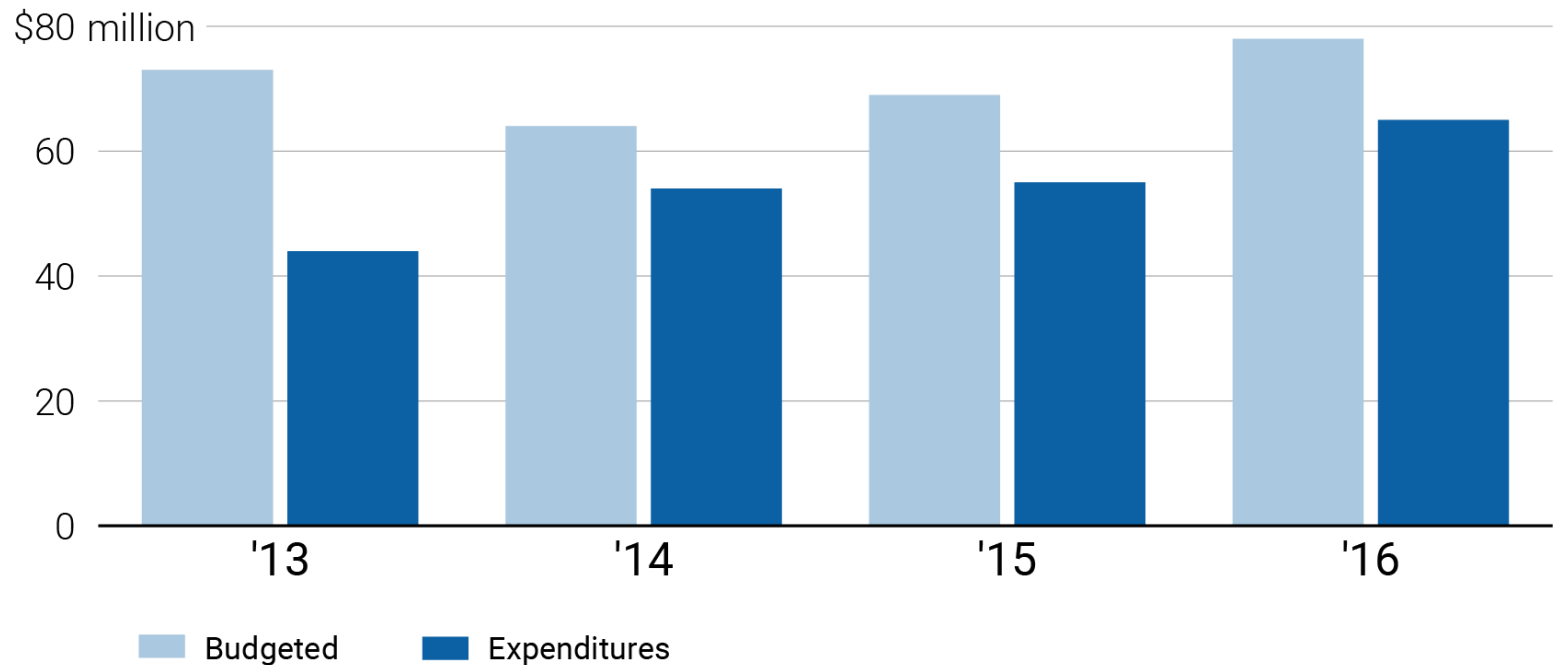


# Workforce Development Funding Has Been Rising at Dept. of Employment Services



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2015-18 Budget & Financial Plans.

# Dept. of Employment Services Continues to Underspend its Allocated Funding



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2015-18 Budget & Financial Plans.



HEALTH CARE

# Health: Medicaid Lives! But Immigrant Access Remains a Challenge

The Healthcare Alliance has restrictive rules that make it hard to keep benefits. Thousands go without care until they are so sick they need to apply.

## Participation in Alliance Program Remains Low Under Interview Requirements Maintained in Fiscal Year 18



Source: October 2010 to September 2016 MCAC Enrollment Reports, Department of Health Care Finance

# Policy to Put Tax Cuts Ahead of Housing & Schools Was a Missed Opportunity



TAX  
CUTS

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# Tax Cuts Dominate DC Budget

## Available Revenue to Implement Tax Policy Changes

(In Millions)	FY 2018	FY 2019	FY 2020
<b>Total Revenue Growth</b>	<b>\$175.7</b>	<b>\$194.0</b>	<b>\$201.8</b>
<b>Total Revenue Dedicated to Tax-Cut Triggers</b>	<b>\$100.3</b>	<b>\$137.1</b>	<b>\$140.4</b>
<b>Additional Revenue Available for Services</b>	<b>\$75.4</b>	<b>\$56.9</b>	<b>\$61.4</b>
<b>% Dedicated to Tax-Cut Triggers</b>	<b>57%</b>	<b>71%</b>	<b>70%</b>

Source: OCFD, February 2017 Revenue Estimates

# Three Steps to Untie DC's Hands For the Fiscal Year 2018 Budget

- **Put automatic tax cuts on hold**
- **Use surpluses for important one-time investments**
- **Create reserve for federal budget cuts**

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Better DC Government.