

Mayor's Fiscal Year 2019 Budget Makes Important Investments But Misses Big Opportunities

DCFPI Releases Preliminary Analysis of Proposed FY 2019 Budget

By DC Fiscal Policy Institute

Mayor Bowser's proposed fiscal year (FY) 2019 budget makes important investments in early childhood development, PreK-12 education, health, and housing and homelessness. But the budget falls short of what is needed to really address our affordable housing crisis, make sufficient progress toward our goal of ending homelessness, and ensure that low-income residents and communities of color receive other critical services.

At the same time, new federal-level tax cuts will put hundreds of millions of dollars into the pockets of DC's wealthiest residents and corporations this year. Using DC's income tax to recapture some of that lost revenue could have freed up money for critical investments and reduced racial and economic inequality in the District while eliminating the need for the proposed sales tax increase, which hits low-income residents hardest.

Read the full analysis [here](#).

Here are some highlights from the proposed budget:

- **Early Childhood:** The proposed budget includes a significant \$10 million investment in improving the quality of early care and education for low-income infants and toddlers. But this is only the first step of many needed to build a truly comprehensive support system for early childhood development in the District. As DC Council considers the budget, they should adopt and set aside funds for the pending “Birth to Three in DC” legislation, which charts a path to fully funding the costs of a quality early education, including competitive compensation for early educators.
- **Pre-K through 12 Education:** The proposed budget includes much-needed funding increases for out-of-school-time programming, and finally funds crucial 2014 reforms to special education. These are big steps forward. The budget also increases school funding by more than what is necessary to cover the new teacher contract, but still falls short of giving all students the resources they need to succeed. In a year dominated by realizations of the many ways we are failing our students, it's time to update our understanding of what it really costs to provide a quality education for every student, as well as ensure that every dollar of “at-risk” funding is spent on targeted services for low-income and academically struggling students.
- **Homeless Services:** While the proposed budget makes some necessary investments in homeless services, it falls short of what is needed to reach DC's goal of making homelessness rare, brief, and nonrecurring. The budget includes much-needed funding for shelter and other services for residents

experiencing homelessness. However, it fails to provide enough funding for programs that prevent and end homelessness.

- **Affordable Housing:** The budget proposes \$100 million for the Housing Production Trust Fund for the fourth year in a row, and continues to invest in DC's newest housing tool, a fund dedicated to preserving existing affordable housing (with an additional \$10 million). The budget also adds operating support for public housing redeveloped through the New Communities Initiative. But the budget provides no new rental assistance for families on the housing waiting list, or to make Housing Production Trust Fund units affordable to extremely low-income residents.
- **Health:** The proposed budget takes some important steps to boost behavioral health services and stabilize Affordable Care Act protections, insurance markets and health coverage rates. At the same time, it fails to fund crucial improvements to the DC Healthcare Alliance program, which covers residents with low incomes who aren't eligible for Medicaid, many of whom are immigrants. This means that thousands of residents will continue to face barriers to staying in the Alliance. An investment of \$17 million would fund legislation already passed unanimously by DC Council to simplify the enrollment process and make it easier for residents to maintain their coverage.
- **Jobs & Training:** The proposed budget maintains current levels of support for workforce development initiatives. The budget provides funding for the implementation of Paid Family Leave for the city's private sector workers and a \$3.5 million investment in the DC Infrastructure Academy to provide residents with industry-specific training.

DCFPI's full preliminary analysis can be found [here](#).