

DC's Additional Revenue Is an Opportunity to Invest Before the Fiscal Year Ends

By Ed Lazere

Thanks to the District's growing economy, the city is collecting a lot more tax revenue this year than expected, creating an immediate opportunity to meet some of the city's most urgent needs, like housing and schools. This is a chance to invest in common-sense steps for addressing DC's racial and economic inequities. As councilmembers return from recess this month, they should work with Mayor Bowser to consider a supplemental budget to put to use some or all of the additional revenue available this year.

The larger tax collections, highlighted in the city's latest [revenue estimate](#), reflect growing incomes in DC, which are boosting both income and sales tax revenues. That forecast showed that DC will collect an additional \$78 million in the current fiscal year, and \$41 million in fiscal year (FY) 2019 and beyond¹.

Because the fiscal year is almost over² and increases in future years projected by the CFO will be smaller than the increase this year, this year's extra money can't be used to fund new programs that will have costs in future years. Instead, the best way to use some or all of the \$78 million would be to set it aside for things that have a one-time cost.

The prosperity that is leading to higher tax collections is not being shared widely across the District. The median household income for Black residents is one-third the median white household income, and wages for the lowest-paid DC workers have not budged for a decade. It makes sense to invest the extra money in things that will help DC's prosperity be shared more broadly. Here are some possibilities:

- **Affordable Housing and Homeless Services:** DC could invest more to repair the city's public housing, which is in [deplorable condition](#) due to decades of federal disinvestment. The recent identification of [lead](#) at Barry Farm is the latest reminder of the urgent need to repair public housing to ensure the safe, dignified conditions residents deserve. In homeless services, there is an immediate need for additional vans, particularly vans that can accommodate wheelchairs, to transport individuals to and from shelter.
- **Schools:** The Student Fair Access to School Act adopted this year calls for both reducing reliance on racially biased discipline practices in DC schools—like suspensions—and enhancing supports through a Positive School Climate Fund. The extra money DC is collecting this year could go towards that fund to help schools strengthen Restorative Justice programs and other positive approaches.
- **A New Jail:** There is widespread agreement that the DC Jail is in deplorable condition and creates inhumane conditions for the DC residents held there. While many key decisions need to be made over the design and financing of the new jail, the cost is expected to be substantial and funds have

not yet been set aside. The additional revenue available this year could be used to start building the funds needed for a new jail.

These are just a few examples of how the District can strategically use the added revenues coming from its growing prosperity to address the city's major challenges. DC's leaders should not pass up on this opportunity to invest in the well-being of DC residents.

¹ A few weeks ago, DCFPI wrote about the implications of the additional revenues for [next year and beyond](#).

² Fiscal year 2018 ends September 30.