



FISCAL YEAR 2021 BUDGET PRIORITIES

The DC Fiscal Policy Institute believes all DC residents should have the resources and opportunities they need to thrive. We envision a DC where all students leave our schools prepared for a lifetime of success, all residents have a safe and affordable place to call home, and everyone has access to quality health care and income supports to help them navigate hard times.

Yet DC's history of racism, ongoing discrimination, and unshared economic growth have created barriers to economic opportunity that prevent too many residents of color from enjoying the benefits of our city's growing prosperity.

The District budget presents an opportunity to make critical investments that ensure everyone has the chance to fulfill their potential regardless of the ward they live in, the color of their skin, or the size of their bank account. By adequately investing in schools, early education, housing, and health care—the building blocks of thriving communities—the fiscal year (FY) 2021 budget can help lay the foundation for an equitable economy that supports the well-being of every DC resident.

DC Needs a Budget that Supports Thriving Communities

OUR VISION

All residents, especially long-time Black and brown native DC residents, have a safe and affordable place to call home across the District



HOW WE GET THERE

- Build at least 1,500 affordable homes through the Housing Production Trust Fund: \$250 million
- Ensure that the Housing Production Trust Fund serves extremely low-income residents and makes up for recent shortfalls, by investing in the project-based component of the Local Rent Supplement Program: \$24 million
- Preserve 1,350 affordable homes through the Preservation Fund: \$15 million
- Provide tenant vouchers to 500 families: \$10.42 million
- Repair and preserve public housing, so that residents have a safe place to live: \$60 million

Economic growth leads to shared prosperity, and every resident and worker has the resources and services needed for economic security and wealth-building



- Support workers by funding the provisions included in the Initiative 77 repeal that would create a reporting system to collect anonymous complaints about wage theft violations, hire at least five additional compliance specialists, create and provide a universal poster detailing wage protection laws for employees, etc.: \$1 million
- Sustain the delivery of integrated adult basic education and workforce training programs for 1,000 DC adults by increasing the recurring appropriation for the Career Pathways Innovation Fund: \$650,000
- Provide economic supports to prevent the displacement of legacy small businesses—which play a special role in our communities—that are struggling to keep up with soaring rents and property tax assessments.
- Support economic growth by investing in equity and the things that matter to businesses, like education and transportation.

Immigrant DC residents are protected and have full access to benefits that support their basic needs



- Eliminate unnecessary administrative barriers in the DC HealthCare Alliance that keep thousands of residents from regular health coverage: \$23 million

DC Needs a Budget that is Equitable and Inclusive

OUR VISION

Everyone deserves the dignity of a home



HOW WE GET THERE

PERMANENT SUPPORTIVE HOUSING

- End chronic homelessness for 1,500 individuals with Permanent Supportive Housing (PSH): \$41.1 million
- End homelessness for 302 families: \$10.5 million

STREET OUTREACH

- Ensure neighbors living outside are connected to crucial outreach services to replace one-time funds invested in FY 2020: \$2.1 million

PREVENT LONG-TERM HOMELESSNESS

- Double the reach of Project Reconnect, the diversion program that helps individuals quickly exit from homelessness. This will allow an additional 2,000 people to be served: \$1.75 million
- Help 150 individuals exit homelessness quickly through Rapid Re-Housing by providing help finding apartments, paying move-in fees, and with time-limited rental subsidies: \$1.65 million
- Fund the Emergency Rental Assistance Program, which helps residents facing eviction pay for overdue rent and related legal costs and helps residents with the cost of moving into new homes: \$12 million

DOMESTIC VIOLENCE

- Provide crisis shelters for survivors of domestic violence: \$4 million

YOUTH

- Develop a mentoring program for youth experiencing homelessness: \$350,000
- Provide a mobile behavioral health unit that can go to the locations where youth are: \$1 million
- Set aside 10 adult PSH units for youth who are turning 25 years old and need adult PSH: \$342,360
- Boost funding for Extended Transitional Housing because the current funding level does not cover the actual costs of providing housing and services. This will allow for 50 fully funded units to be in operation in FY 2021: \$1.79 million



OUR VISION

All schools are adequately and equitably funded, enabling every student to thrive in the classroom and in life



HOW WE GET THERE

- Increase the base of the Uniform Per Student Funding Formula (UPSFF) by 6 percent to put DC on a path to close the gap between current funding and the DC Adequacy Study funding recommendations over the next two years.
- Raise the UPSFF at-risk weight from .225 to .37 to close the gap between current funding and the DC Adequacy Study funding recommendations.
- Expand school-based behavioral health services to 179 schools: \$16 million
- Ensure every school can offer high-quality, evidence-based social-emotional learning programs and trauma-informed training: \$10.6 million
- Invest in Out of School Time programming—including Learn 24's Office of Youth Grants and Opportunities: \$19 million; also programs currently funded through the Department of Parks and Recreation: \$5.9 million
- Develop a new DC Public Schools funding method and Comprehensive Staffing Model that is more equitable.
- Advance legislation that prioritizes at-risk students in the public school lottery.

Families have the resources and supports needed to give their children a strong start, and the early childhood educator workforce is equipped to provide high-quality care and is compensated fairly



- Increase funding for the childcare subsidy program to boost provider reimbursement rates, allocating half to ensure that the rates cover the full cost of high-quality care and the remainder for increased early educator compensation: \$40 million
- Increase the availability of mental health consultation services to 60 more child development centers through the Healthy Futures Program: at least \$1.5 million

OUR VISION

People with disabilities waiting to hear about federal disability applications should receive local benefits in the meantime as they have no other way to earn



HOW WE GET THERE

- Expand the caseload by 250 to start meeting the unmet need with the goal of increasing overall funding: \$1.27 million

The District has an equitable and stable revenue system that adequately funds public investments and ends special treatment for the wealthy and profitable corporations



- Changes to the tax code require the wealthy and profitable corporations to pay their fair share of taxes.
- Repeal the ineffective and poorly targeted Qualified High Technology Company tax incentive program: \$24 million savings
- Eliminate inequitable and ineffective economic development tax breaks that fail to demonstrate clear benefits to existing residents, and establish strong clawbacks that hold companies receiving tax breaks accountable to their commitments.
- Expand age eligibility for the DC Earned Income Tax Credit to all adult workers without children in the home. This would reward the hard work of an additional 14,200 people struggling to get by: \$6 million
- Repeal or scale back the income eligibility for the \$1,000 tax credit for childcare expenses, which is poorly targeted and available to families with incomes up to \$150,000: \$1.4 million savings
- Repeal the DC College Savings Plan tax deduction and replace it with a program that supports college savings for students in low-income families who otherwise would not have resources to save.



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