



FISCAL YEAR 2022 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 live a decent life.

Yet, the District of Columbia is at an important crossroads. A growing number of residents have joined the call for racial justice, just as the coronavirus pandemic has fallen hardest on Black and brown residents and worsened longstanding racial inequities. Many low-income residents of color worry about eviction, feeding their families, and their children falling behind in distance learning, while many higher-income residents largely have kept their jobs and in fact have seen their wealth grow with a surging stock market.

The Mayor and DC Council face important choices. They could respond to the pandemic and its harm on DC's finances by underfunding services—but this decision would add to the challenges faced by struggling families and businesses, slow down the city's recovery from the pandemic, and widen racial inequities. This would ignore those who have been suffering due to the pandemic over the last year—and those who were suffering long before.

Instead, our leaders should choose a different path by taking steps now to support residents and make a down payment on a bold plan for racial equity, with investments in housing, schools, and social services. Helping residents pay rent, feed their families, and shop for basic needs in their communities will help our city build a just recovery. We can find the resources to advance racial equity by strategically leveraging federal aid dollars and fixing our broken tax system that reinforces racial inequities.

DC Needs a Budget that Supports Thriving Communities

OUR VISION

All residents, especially longtime Black and brown native DC residents, have a safe and affordable place to call home in any neighborhood, across the District



HOW WE GET THERE

- Repair and preserve public housing so that residents have a safe place to live: \$60 million
- Provide tenant vouchers to 800 families: \$17.33 million
- Maintain stable funding for the Housing Production Trust Fund to build affordable homes in the District: \$104 million
- Maintain investments in the project-based component of the Local Rent Supplement Program, to ensure that the Housing Production Trust Fund serves extremely low-income residents: \$5 million
- Preserve affordable housing throughout the District through the Affordable Housing Preservation Fund: \$4 million

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



- Include substantial set asides and technical assistance for Black, brown, and women-owned small businesses in any recovery relief programs
- Prioritize preserving District small businesses facing significant challenges during the pandemic through the expansion of programs such as DREAM Grants and ASPIRE to Entrepreneurship: \$500,000
- Bolster the District's Department of Employment Services' ability to process unemployment claims faster and reduce wait times by increasing unemployment insurance (UI) staff capacity
- Hire a communications firm to ensure accessible information and communication to UI claimants on the various UI programs, sequence, and duration of benefits: \$300,000-\$500,000
- Increase funding for the Council Office on Racial Equity to bolster the Office's work by supporting: two new full-time positions to conduct analysis and community outreach, a CORE data dashboard, and a District employee racial equity training
- Provide job training, housing support, and other support services for the District's LGBTQ communities, especially for trans women of color
- Support District government employees by fully funding the Medical Marijuana Program Patient Employment Protection Amendment Act of 2020: \$274,000

DC Needs a Budget that is Equitable and Inclusive

OUR VISION

Everyone
deserves the
dignity of a
home



HOW WE GET THERE

ENDING HOMELESSNESS

- End chronic homelessness for 2,761 individuals with Permanent Supportive Housing (PSH): \$81 million
- End chronic homelessness for 432 families with PSH: \$16.3 million
- End homelessness for 928 families with Targeted Affordable Housing (TAH): \$23.3 million
- Purchase bankrupt and struggling hotels, like the Marriott Wardman Park. These buildings can be used as non-congregate shelter during the pandemic and then be converted into PSH
- Provide 1,820 individuals with short-term assistance, including high-quality, client-centered case management, rental, and other forms of financial assistance and income supports and support with the housing search

STREET OUTREACH AND OTHER LIFE-SAVING SERVICES

- Ensure neighbors living outside are connected to crucial outreach services: Fund at least at the FY 2021 level
- Ensure that every person who is at high risk of dying of COVID-19 is offered a placement in non-congregate shelter

PREVENTING HOMELESSNESS

- Grow Project Reconnect, the diversion program that helps individuals quickly exit from homelessness
- Expand existing rental and utility assistance programs and/or develop a new program: at least \$100 million
- Continue the Re-entry Housing Pilot for Returning Citizens: \$1.8 million

SURVIVORS OF DOMESTIC VIOLENCE

- Provide dedicated housing to survivors of domestic violence: \$26.4 million over three years
- Expand mental health services, case management, legal services, and culturally specific services: \$5 million

YOUTH EXPERIENCING HOMELESSNESS

- Preserve existing programs by maintaining the budget at the FY 2021 level
- Fund a cost analysis on the true costs of providing youth programs: \$75,000 in one-time funding
- Invest in workforce programming for homeless youth: \$574,000
- Fund professional development for youth agency staff: \$70,000
- Launch a youth mentoring pilot program: \$350,000
- Create a mobile behavioral health team that can meet youth where they are: \$558,000
- Dedicate 10 PSH slots for youth aging out of the youth system: \$345,000



OUR VISION

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



HOW WE GET THERE

- Protect Black income and workers by providing adequate stabilization for DC's child care industry via higher subsidy rates and grants in the Office of the State Superintendent of Education budget: \$60 million
- Provide additional funding to expand Healthy Futures and Healthy Steps to support child development: \$675,000 and \$300,000, respectively
- Fund the District's core programs and services for infants and toddlers, such as Help Me Grow, Home Visiting, and the Lactation Program: at FY 2021 approved levels

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



- Adjust the Uniform Per Student Funding Formula base to keep up with unmet and rising education costs: at least \$106 million (this does not account for pandemic-related cost drivers)
- Advance equity by fully funding the at-risk and English Learner weights, possibly adding new weights to the funding formula, and targeting federal education recovery dollars: at least \$101 million
- Ensure a 1:1 student-to-device ratio and consistent and affordable access to high-speed internet; all teachers have system-compliant devices; and adequate technology and digital literacy support for staff, students, and families
- Expand behavioral health services to the remaining 80 DCPS and public charter schools not yet participating in the District's school mental health expansion program: \$6.4 million
- Redirect money from the DCPS school security contract and the Metropolitan Police Department's School Safety Division into programs and initiatives that create school safety and a positive school culture: \$36.9 million
- Hold harmless funding for Out-of-School Time programs in the Deputy Mayor for Education's Learn24 Office and the Department of Parks and Recreation: \$25 million

OUR VISION

The District takes proactive steps to raise new revenues and create a more efficient and equitable tax system, which will enable the District to tackle the worst harm of the recession, protect struggling residents and businesses, and help the entire city survive the pandemic without damaging long-term effects



HOW WE GET THERE

- Enact a surtax on the richest residents—individuals earning more than \$250,000 in taxable income per year—to help address spiking inequality and the harm of the pandemic on both residents and businesses. Only 3 percent of taxpayers would see a tax increase
- Close ineffective tax loopholes—such as the qualified supermarket tax break—to free up resources to invest in DC residents and support inclusive economic growth. Establish strong clawbacks that hold companies receiving tax breaks—such as the Line Hotel—accountable to their commitments
- Use more of DC’s reserves by modifying the cash flow reserve to be more similar to the Fiscal Stabilization Reserve, which would allow its use in a recession. And encourage federal lawmakers to give DC more control of its reserves
- Amend the budget process and hold a hearing on revenue policy after budget oversight hearings but before the hearing on the Budget Support Act to ensure that lawmakers have an early opportunity to assess and debate whether changes to the tax system are needed
- Reduce funding for traditional policing and reinvest those savings in public safety alternatives that support Black and brown communities
- Increase transparency on the use of federal recovery dollars by reporting separate documentation on uses of funds to date, plans for use of additional federal relief funds, and where those funds show up in the DC budget



OUR VISION

Ensure that DC's low-income, Black, Latinx, and immigrant communities, who are bearing a disproportionate burden of the health and economic challenges of the pandemic, have access to life-saving services and programs.



HOW WE GET THERE

- Restore funding for community-based behavioral health services to FY 2020 levels: \$4 million
- Double the Interim Disability Assistance caseload to 1,346 in FY 2022, with the goal of expanding the program to serve all in need within 5 years: \$3.3 million
- Remove barriers to enrollment in DC HealthCare Alliance by making its enrollment requirements identical to that of the Medicaid program
- Support workers who lost their jobs or work hours and are excluded from traditional or pandemic unemployment benefit programs through direct cash assistance
- Create community-based services for residents with brain injuries, pay providers for these services, and train providers about working with residents with cognitive impairments



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