

## What's in the Fiscal Year 2023 Budget?

**Comparing how the Mayor's proposed and Council-approved budgets meet community needs**



Each passing budget presents a big opportunity to put the District on a path toward economic inclusion and a racially just future. DC Council's approved fiscal year (FY) 2023 budget helps meet the needs of residents still reeling from the pandemic-induced recession and supports more inclusive economic growth with increased opportunities for Black and brown residents to thrive.

The Mayor put forward an initial budget proposal that, on the whole, would continue the momentum toward a just recovery. Her budget added nearly \$1.3 billion more in local fund spending over the prior year, with more than one-third of that increase going to housing production. She also made significant investments that protect and build Black wealth, stabilize schools, and ensure stable health care for immigrants and others ineligible for Medicaid.

The DC Council improved upon the Mayor's proposal by expanding tax justice to immigrant families, supporting students' behavioral health, and delivering higher compensation to early educators, among other critical supports. DC lawmakers largely kept promises made to residents last year and built on the progress toward a just recovery.

The Council-approved FY 2023 budget funds the large majority of DC Fiscal Policy Institute's (DCFPI) budget requests, at least in part, which focus on ensuring that Black and brown communities and residents currently struggling with low incomes have their basic needs met, find safety and security, are valued and compensated fairly, and have what they need to live to their fullest. However, in spite of the substantial investments in racial and economic equity, lawmakers missed opportunities to go further in addressing structural inequities and transparency issues in housing and education.

The table below details how DCFPI's asks fared in the Mayor's proposed budget and the subsequent budget that the Council approved. *(The Council-approved budget is currently under the Mayor's review and then will go through a 30-day Congressional review period.)*

DCFPI's Asks	What the Mayor's Budget Proposed	What's in the Council-Approved Budget
<b>Early Child &amp; Pre-K3 to 12 Education</b>		
<p>Ensure Early Education Compensation Funds reach teachers' pockets in FY 2022 and each year of the financial plan. Dedicate these funds in accordance with the Early Educator Equitable Compensation Task Force's recommendations. Plan for additional funding that is required to reach full parity, which includes benefits, such as health care.</p>	<p><b>Not applicable.</b> Makes no policy design or spending decisions on the program because the bulk of Task Force's recommendations were still pending at the time of the Mayor's budget release.</p>	<p><b>Partially meets DCFPI's ask.</b> Allows for the compensation funds to reach teachers pockets each year of the budget and dedicates the funding is partially in alignment with the Task Force's recommendations, while leaving some program design decisions up to the Office of the State Superintendent of Education's (OSSE) discretion. The proposed budget allows OSSE to use excess compensation funds to subsidize health insurance premiums for early educators through the DC Health Benefits Exchange. It is unclear if any excess funding will be available to provide health benefits.</p>
<p>Protect funding dedicated to child care from the Sports Wagering Lottery Amendment Act of 2018 to ensure it goes to the child care sector beginning in FY 2024.</p>	<p><b>Ask met.</b></p>	<p><b>Council made no changes to the Mayor's proposal.</b></p>
<p>Increase funding to expand the number of Healthy Futures sites to 35 from 25 sites, and allocate \$300,000 to expand the District's HealthySteps program to fund an additional program site.</p>	<p><b>Fails to meet DCFPI's ask.</b> Provides \$0 towards expanding these health programs that support the development of young children.</p>	<p><b>Ask met.</b></p>
<p>Restore \$310,000 in recurring funds to home visiting grants at Child Family Service Agency (CFSA) and expand funding by 15 percent to keep up with growing costs. Fund \$369,150 for home visiting programs at DC Health.</p>	<p><b>Partially meets DCFPI's asks.</b> Restores funding for CFSA home visiting grants on a recurring basis but fails to expand funding for CSFA and DC Health programs.</p>	<p><b>Partially meets DCFPI's asks.</b> Meets both budget asks for the CFSA home visiting grants but fails to expand funding for the DC Health home visiting programs.</p>
<p>At a minimum, increase the Uniform Per Student Funding Formula (UPSFF) to keep up with inflation and actual education costs within DC Public Schools (DCPS) and public charter schools.</p>	<p><b>Ask met.</b> Local Education Agencies' decisions on the use of UPSFF dollars will affect the extent to which UPSFF funding will be able to meet true education needs.</p>	<p><b>Council made no changes to the Mayor's proposal.</b></p>

<p>Prohibit DCPS from making budget or staff cuts to schools’ initial budgets unless a school is losing one or more grade or experiencing large enrollment declines.</p>	<p><b>Fails to meet DCFPI’s ask.</b> Initial school budgets did not include staffing data, as those choices were left to the discretion of principals and Local School Advisory Teams (LSAT).<sup>1</sup> Submitted school budgets included incomplete staffing data (i.e., afterschool staff positions were not provided). Anecdotally, some school communities shared that they were losing key staff despite stable or growing enrollments.</p>	<p><b>Fails to meet DCFPI’s ask.</b> Available data on staffing is incomplete and the Council’s budget does not appear to rectify disproportionate staff losses that may have occurred.</p>
<p>Enforce the DC Code requiring DCPS to supplement, not supplant, school budgets with dollars intended for students considered “at risk” of academic failure.</p>	<p><b>Fails to meet DCFPI’s ask.</b> The new DCPS model no longer obscures how “at-risk” dollars are spent and empowers principals and LSATs to allocate their “at-risk” funds. However, many schools had initial, or proposed, budgets that required them to use “at-risk” funds to cover basic positions due to inadequate general education funding.</p>	<p><b>Fails to meet DCFPI’s ask.</b> However, the Council budget establishes two new supplemental “at-risk” weights that provide an additional \$621 dollars per “at-risk” student at schools with more than 40 and 70 percent “at-risk” students. This funding will go to schools directly, and in practice should supplement, not supplant, a school’s overall budget.</p>
<p>Increase transparency of federal relief dollars and ensure that DCPS and public charter agencies comply with the American Rescue Plan Act (ARPA) Maintenance of Equity requirement.</p>	<p><b>Fails to meet DCFPI’s ask.</b> Initial DCPS budgets did not include allocations of federal relief dollars. Additionally, there is limited transparency on how other education agencies are using federal relief dollars (beyond the data that was shared during the FY 2022 process). There was also no transparency for which schools DCPS and public charter local education agencies were required to maintain equity in their budget allocations.<sup>2</sup></p>	<p><b>Fails to meet DCFPI’s ask.</b> The Council did not request more information on how local education agencies allocated federal relief dollars nor did they require OSSE to provide data on maintenance of equity requirements by local education agency.</p>
<p>Prioritize investments to schools and students most in need to ensure ARPA dollars are distributed equitably.</p>	<p><b>Unclear whether meets DCFPI’s ask.</b> Initial DCPS budgets did not include allocations of federal relief dollars. DCPS did add ARPA dollars after schools were given the opportunity to revise their budgets, but the agency failed to provide any public information on how or why the schools that received funds got them, other than brief budget narratives indicating that schools received additional one-time ESSER III funds to account for higher costs of providing special education</p>	<p><b>Not applicable.</b> The Council does not have the authority to dictate how local school education agencies allocate federal relief funds to schools.</p>

<sup>1</sup> A Local School Advisory Teams is a group of elected and appointed at every DCPS school. It consists of consists of parents, teachers, non-instructional school staff, a community member, and in some cases students, to advise the principal on matters that promote high expectations and high achievement for all students, including the school budget.

<sup>2</sup> The Office of the State Superintendent (OSSE) is charged with providing information on and enforcing Maintenance of Equity Requirements. OSSE has not updated its webpage where this information is maintained with FY 2023 data.

	services. There is no transparency on how public charter local education agencies awarded funding to their schools.	
\$300,000 to study what it truly costs to implement the School Based Behavioral Health (SBBH) Program.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 towards a cost study.	<b>Ask met.</b> Funds a cost study with a \$150,000 appropriation, the level the Office of Chief Financial Officer determined was needed. The Council also included a subtitle to the Budget Support Act that stipulates the scope of the study and names relevant stakeholders that the Department of Behavioral Health must include as it conducts the study.
Increase funding for the SBBH program by \$2.4 million to stabilize grant funding for community-based behavioral health organizations (CBOs) and to make permanent the one-time \$10,000 supplement provided to CBOs to cover pandemic-related costs.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 towards stabilizing funding for the SBBH program and increasing grant levels for CBOs.	<b>Ask met.</b>
Fund high-quality, culturally affirming, and responsive social emotional learning programs for students and trauma-informed training for all staff at each school.	<b>Fails to meet DCFPI's ask.</b> Makes no explicit investments in social emotional learning programs or professional development for school staff.	<b>Fails to meet DCFPI's ask.</b>
Expand the DCPS Reimagining School Security Pilot.	<b>Fails to meet DCFPI's ask.</b>	<b>Fails to meet DCFPI's ask.</b>
<b>Affordable Housing &amp; Ending Homelessness</b>		
End chronic homelessness for 500 individuals and 260 families with Permanent Supportive Housing (PSH).	<b>Ask met.</b> These vouchers will cover placements in three-quarters of FY 2023 rather than a full year, as the administration does not anticipate placing residents into housing until the second quarter of the year.	<b>Council made no changes to the Mayor's proposal.</b>
\$6.3 million to ensure that 250 individuals who are experiencing homelessness can obtain housing via short-term assistance.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 for short-term housing assistance for individuals experiencing homelessness.	<b>Fails to meet DCFPI's ask.</b>
Extend re-housing for all 931 Family Re-Housing Stabilization Program families at risk of time limit terminations in FY 2022.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 towards extending re-housing for families facing a time limit in FY 2022.	<b>Partially meets DCFPI's ask.</b> Provides \$0 towards extending re-housing for families facing a time limit in FY 2022. Funds an additional 400 Targeted Affordable Housing (TAH) vouchers for families facing the re-housing time limit ( <i>see next line</i> ).
End homelessness for 1,040 families with TAH.	<b>Fails to meet DCFPI's ask.</b> Provides no new TAH vouchers	<b>Partially meets DCFPI's ask.</b> Funds 400 TAH vouchers for families facing the time limit in the Family Re-Housing Stabilization Program.
Ensure that PEP-V, non-congregate shelter for residents experiencing	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to maintain PEP-V.	<b>Fails to meet DCFPI's ask.</b>

homelessness who are at high risk of dying of COVID-19, is maintained through the pandemic.		
Fund housing-focused homeless street outreach services.	<b>Ask met.</b> Provides \$2 million to fund housing-focused homeless street outreach services.	<b>Council made no changes to the Mayor's proposal.</b>
Devote \$300,000 in additional capital funding to build two standalone 24-hour restrooms in FY 2023.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to build restrooms.	<b>Ask met.</b> Fully funds two standalone 24-hour restrooms.
Allocate \$700,000 to prevent homelessness for 400 additional individuals through Project Reconnect.	<b>Partially meets DCFPI's ask.</b> Provides \$402,679 to Project Reconnect.	<b>Ask met.</b> Fully funds Project Reconnect.
Dedicate \$220 million to rental assistance and \$20 million to utility arrears in the FY 2022 supplemental budget. Allocate \$200 million for rental assistance in the FY 2023 budget.	<b>Partially meets DCFPI's ask.</b> Provides \$80 million for rental and utility assistance in FY 2022 and another \$42.7 million for rental assistance in FY 2023.	<b>Partially meets DCFPI's ask.</b> Provides \$80 million for rental and utility assistance in FY 2022 and another \$43.0 million for rental assistance in FY 2023.
Dedicate \$1.8 million to continue the ReEntry Housing Pilot for Returning Citizens.	<b>Fails to meet DCFPI's ask.</b> Did not dedicate funding to continue the pilot.	<b>Partially meets DCFPI's ask.</b> Dedicates \$1.7 million to continue the pilot.
Allocate funds to implement the "Eviction Record Sealing Authority and Fairness in Renting Amendment Act" and the "Human Rights Enhancement Amendment Act."	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to fund the "Eviction Record Sealing Authority and Fairness in Renting Amendment Act" and the "Human Rights Enhancement Amendment Act of 2021."	<b>Ask met.</b>
Allocate \$12.5 million to provide an additional 65 units of transitional housing and 15 affordable housing units to survivors of domestic violence.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to expand transitional housing and affordable housing to survivors of domestic violence.	<b>Fails to meet DCFPI's ask.</b>
Increase existing youth homelessness budget by \$2.2 million to account for COVID related costs and inflation.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to increase the existing youth homelessness budget.	<b>Partially meets DCFPI's ask.</b> Provides \$1.3 million to increase the existing youth homelessness budget.
Invest \$1 million in workforce programming for homeless youth.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 in workforce programming for homeless youth.	<b>Fails to meet DCFPI's ask.</b>
Dedicate \$558,000 to create a mobile behavioral health team.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to create a mobile behavioral health team.	<b>Fails to meet DCFPI's ask.</b>
Allocate \$60 million to repair and preserve public housing.	<b>Partially meets DCFPI's ask.</b> Provides \$50 million to repair and preserve public housing.	<b>Partially meets DCFPI's ask.</b> Provides \$51.1 million to repair and preserve public housing.
Allocate \$17.3 million to provide tenant vouchers to 800 families on the DC Housing Authority waiting list.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 for tenant vouchers for families on the DC Housing Authority waiting list.	<b>Partially meets DCFPI's ask.</b> Provides \$586,002 for tenant vouchers for 20 families on the waiting list. Council also provided \$586,002 for 20 vouchers for LGBTQ residents.
Devote \$1.3 million to expand and provide tenant vouchers to 60 returning citizens.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to expand and provide tenant vouchers to returning citizens.	<b>Partially meets DCFPI's ask.</b> Provides \$586,002 to expand and provide tenant vouchers to 20 returning citizens.

Maintain stable funding for the Housing Production Trust Fund (HPTF) and strengthen transparency and reporting requirements.	<b>Partially meets DCFPI's ask.</b> Provides \$500 million for the HPTF, but without sufficient transparency.	<b>Ask met.</b> Provides \$450 million for the HPTF and strengthens the transparency and reporting requirements to ensure the fund is meeting statutory affordability requirements.
Allocate at least \$12.9 million to maintain additional annual investments in the project-based component of the Local Rent Supplement Program (LRSP).	<b>Ask met for FY 2023.</b> Provides \$14.5 million for new project based LRSP vouchers in FY 2023.	<b>Council made no changes to the Mayor's proposal.</b>
\$20 million to preserve affordable housing through the Affordable Housing Preservation Fund (HPF).	<b>Fails to meet DCFPI's ask.</b> Provides \$0 in FY 23 to preserve affordable housing through the Preservation Fund.	<b>Fails to meet DCFPI's ask.</b>
<b>Inclusive Economy</b>		
\$160 million to fund direct cash assistance for workers excluded from unemployment benefits and federal stimulus payments through the DC CARES program. DC should also ensure a sustained approach to this program so payments are completed in a timely and efficient manner and explore a long-term solution to permanently include these workers in income supports.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 towards direct cash assistance for excluded workers.	<b>Partially meets DCFPI's ask.</b> Provides \$20 million in cash assistance for workers under the condition that the District reports higher revenue than expected in its quarterly estimates.
Enhance funding to support the newly launched Just Cannabis business program. Ensure that these funds are prioritized for returning citizens, veterans, and those harmed by cannabis criminalization.	<b>Ask met.</b> Provides \$300,000 for equity impact enterprises, including grants and loans.	<b>Ask met.</b> Provides \$300,000 for equity impact enterprises and directs excess medical cannabis sales tax revenue to create a medical social equity program.
Mark up and fund the Medical Cannabis Amendment Act of 2021 to prioritize returning citizens and ensure that there are no barriers to them accessing ownership and employment opportunities in the medical cannabis industry.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to expand employment and ownership opportunities for all returning citizens.	<b>Fails to meet DCFPI's ask.</b>
<b>Income and Health Supports</b>		
\$3.3 million to double the Interim Disability Assistance (IDA) caseload.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to expand the IDA caseload to serve all in need.	<b>Fails to meet DCFPI's ask.</b>
Remove barriers to enrollment in DC HealthCare Alliance.	<b>Ask met.</b> Removes barriers to enrollment in DC HealthCare Alliance by making its enrollment requirements identical to that of the Medicaid program.	<b>Council made no changes to the Mayor's proposal.</b>

<b>Tax Justice and Sound Revenue Policy</b>		
Extend DC's Earned Income Tax Credit (EITC) to workers who are undocumented.	<b>Fails to meet DCFPI's ask.</b> Provides \$0 to extend DC's EITC to workers who are undocumented.	<b>Ask met.</b> Provides \$3.4 million to expand DC's EITC to workers who are undocumented starting in FY 2024.
Reject revenue policies that fail to advance racial justice and are poorly designed.	<b>Fails to meet DCFPI's ask.</b> Creates a 20-year tax abatement for conversion of downtown office space into housing. The abatement requires only 8 percent of units built to be affordable to families at 60 percent of area median income, while lacking evidence showing that this is the proper tool for housing conversions or creating affordable housing in the District.	<b>Fails to meet DCFPI's ask.</b> DC Council raised the threshold to 15 percent from 8 percent, but the question remains whether this tool is the proper tool for housing conversions or creating affordable housing in the District.