WE ARE ALL D.C.  
FY2016 Budget Recommendations

“We are Washington, D.C.—a city headed in the right direction. Our hardworking and compassionate residents know that there is still work to be done and progress to be made—in all eight wards—to help the District reach its full potential.”

- Mayor Muriel Bowser

We are Washington, D.C., indeed, but many of us included in that pronoun have a long way to go before we can reach our full potential. We are the homeless men, women, and children who sleep in McPherson Square, in D.C. General, and on our friends’ couches. We are returning citizens, veterans, single moms, hourly employees, and survivors of domestic violence. We are adult learners, TANF and food stamp recipients, and public transit users.

We are ALL D.C. And many of us are struggling.

Though D.C. has seen an economic surge in recent years, this prosperity has not uniformly benefited everyone. Of those of us facing the greatest barriers, we are disproportionately no- and low-income earners, disproportionately women, and disproportionately people of color.

We stand in a moment in history when we are called to confront the reality of racial disparities. We at the Fair Budget Coalition affirm that Black Lives Matter. We understand that this affirmation means not only addressing inequities in the criminal justice system, but also addressing economic needs like good jobs, affordable housing, and access to education. We firmly believe that by investing in a safety net strong enough to prevent the most marginalized members of our society from falling through, we can create a system that works for all Washingtonians. By affirming that Black Lives Matter, be they trans, queer, low-income, returning citizens, facing homelessness or living with disabilities, we are affirming that D.C. must work for everyone. We are asserting that ALL of us need to be able to access opportunities that allow us to provide for our families and thrive as individuals.

These goals are not impossible. They can be met if D.C. makes annual investments in programs that serve those who are struggling and explores long-term solutions that address the root causes of problems. This year marks a fresh start in D.C. We have a new mayor and, by year’s end, will have five new councilmembers. This presents the
executive and legislative branches with the opportunity to strategically increase revenue while making critical investments in the programs that tackle some of D.C.’s gravest and most entrenched challenges. If the District’s political leaders are willing to take up this mantle, the budget will reflect investments in ALL of us—including those of us with no or low incomes, those of us who are women, and those of us who are people of color—not just in those who are already reaping the greatest benefits. Only by doing so can D.C. truly reach its full potential.

<table>
<thead>
<tr>
<th>Housing and Homelessness</th>
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<td>Despite the boom in residential building construction, not all residents have sufficient incomes for that housing to be affordable. In fact, the creation of these higher-end units stands in stark contrast to the rapidly dwindling affordable housing stock. Since 2000, D.C. has lost more than half of its affordable rental units and 72% of its affordable homes. This loss has led to an alarming increase in homelessness among families and individuals, as well as the displacement of long-time D.C. residents. Such trends leave residents with low-incomes very few options for safe, secure housing.</td>
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<td>The Fair Budget Coalition recognizes that there is no one-size-fits-all approach to housing and homelessness. Rather, D.C. needs diverse, flexible options that meet the needs of all its families, individuals, seniors, and youth. This means having stable and dignified safety net shelters, funding to move families and individuals from shelter to housing, and ample affordable housing options for residents across the socioeconomic spectrum.</td>
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<td><strong>Year Round Right to Shelter</strong></td>
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<td>Currently, the District is legally obligated to shelter D.C. residents only when the actual or forecasted temperature falls below freezing. For families, this means that during the remainder of the year, hundreds of families are left without a safety net, forcing them to live out of cars during the hottest months of the summer or to stay on the floors and couches of others, sometimes in unsafe environments. D.C. should ensure that families can be guided through the homeless service system immediately, instead of potentially waiting for months to access the system, creating a backlog of families needing support on the first freezing day of winter. Ultimately, D.C. incurs greater costs when families experience longer-term homelessness rather than being moved through the shelter system more efficiently.</td>
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<td><strong>The Fair Budget Coalition recommends that D.C. commit to a right to shelter year-round.</strong></td>
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### Local Rent Supplement Program

The Local Rent Supplement Program both builds new affordable housing units for low-income families in the District and provides tenants with vouchers that enable them to quickly access housing. Both models are important. The construction of new units is necessary, given the dwindling supply of the affordable housing stock. Tenant vouchers are critical, as they are the fastest way to leverage available, private market housing. Vouchers can also help some families move out of shelters and prevent others who are precariously housed from becoming homeless—and later having to access much more costly emergency services such as shelter. **The Fair Budget Coalition recommends that D.C. invests $5 million for Local Rent Supplement Program vouchers in addition to $5 million in the project/sponsor-based component of the Local Rent Supplement Program.**

### Permanent Supportive Housing

On a given night, nearly 1,800 individuals and families are chronically homeless in D.C. – they have been homeless repeatedly or for years suffer from life-threatening health conditions and/or severe mental illness. D.C. has committed to ending chronic homelessness by the end of 2016. Permanent Supportive Housing (PSH) ends chronic homelessness by providing decent, safe, affordable housing coupled with voluntary and flexible supportive services. According to the US Interagency Council on Homelessness, not only do PSH residents become more stable and experience fewer psychiatric symptoms, but research shows “supportive housing is associated with significant reductions in costs for emergency room visits, hospitalizations, shelters, sobering centers, jails, and other public services used by people experiencing homelessness.” **The Fair Budget Coalition recommends that D.C. invests $12 million in the DHS Permanent Supportive Housing Program.**

*Note: This amount could change as the D.C. Interagency Council on Homelessness finalizes a strategic plan to end homelessness.*

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Fully funding the programs above can dramatically help thousands of families in need and in combination with better use of existing resources, could actually end chronic homelessness by the end of 2016 for many of our most vulnerable neighbors. However, they do not represent the full spectrum of housing programs necessary to address D.C.’s homelessness crisis and increase the stock of affordable housing. To meet the housing needs of very low-income families in the District, D.C. must construct or subsidize 22,500 units of affordable housing. This investment should include funding the Housing Production Trust Fund, the Rapid Re-housing for individuals, and the Emergency Rental Assistance Program, as well as reinvesting in our public housing facilities.
In some respects, D.C. is heading in the right direction. Last year, the D.C. council passed a flurry of strong worker protection laws, raising the minimum wage, ensuring that all workers have access to paid sick days, and safeguarding workers against wage theft. There are now additional hiring protections for people who have a criminal history. Pregnant workers now have the right to reasonable accommodations and are guarded against discrimination. Unemployed residents are now protected against job discrimination. Every D.C. government worker now has the opportunity to take eight weeks of paid leave after having a child or when it’s necessary to care for a loved one. Having the laws on the books doesn’t mean that they will be applied, however. Rigorous enforcement is necessary to ensure that all workers in D.C. knows their rights, that employers are compliant, and that those employers who opt not to comply face the consequences of breaking the law. The Fair Budget Coalition recommends that D.C. invest $3 million to implement and enforce worker protection laws.

These funds should be allocated as follows:

- $1.6 million to fund additional staff with the Department of Employment Services and administrative judges to enforce minimum wage, paid leave, worker misclassification, and other wage theft laws;
- $300,000 for public education about the Minimum Wage Amendment Act of 2013 and the Earned Sick and Safe Leave Amendment Act of 2013;
- $170,000 for the Office of Human Rights to implement the Unemployed Anti-Discrimination Act of 2012;
- $122,000 for the Department of Employment Services to implement the Protecting Pregnant Workers Fairness Act of 2014;
- $801,761 to restore a fair process for injured public sector workers.
  - $801,761 in the first year
  - $645,354 in subsequent years

**Extension of Temporary Assistance for Needy Families (TANF) Benefits**

While additional protections for workers are necessary, it is important to recognize that not everyone in D.C. is working. Many rely on government assistance while looking for jobs or obtaining additional education to increase their marketability. More than 6,000 District families have received TANF for more than 60 months and are slated to receive zero benefits beginning in October 2015. Some of these
families are facing significant barriers to employment, such as domestic violence or mental health issues, and need more time to address these barriers. Others, despite their best efforts, are unable to find employment or secure sufficient wages to make ends meet. Wages remain below 2008 levels for residents without a college degree. The unemployment rate for residents with a high school diploma is 20%, compared with 12% before the recession started. Extending TANF benefits will ensure that thousands of families are not suddenly left with no income in the fall.

The Fair Budget Coalition recommends that D.C. fund extensions for families who have received TANF for more than 60 months and are either facing barriers to employment or, despite their best efforts, cannot find sufficient employment.

Supporting Adult Education Through Career Pathways

By 2018 more than 70% of all jobs in the District will require some postsecondary education or training, yet an estimated 80,000 adults, including 60,000 without a high school credential, lack the basic math, English language, digital, and problem-solving skills needed to qualify for postsecondary education or training. Building career pathways for these D.C. adults to succeed in our 21st century economy requires District-wide commitment and a system-wide change.

The District has invested in several new initiatives to upskill and prepare more residents for the changing labor market, including a new task force under the Workforce Investment Council. The task force is charged with “developing a D.C.-wide strategic plan for connecting adult basic skills programs administered in the District to career pathways.” This fall, the task force will issue a set of recommendations for creating a path from basic skills programs to careers, with special attention being paid to helping lower-level learners and those with learning disabilities build their necessary skills. The Fair Budget Coalition recommends that D.C. invest $2 million dollars in an innovation fund, so the task force can pilot, scale and evaluate evidence-based approaches for connecting adult basic skills programs to career pathways, as identified by the strategic plan.

Public Safety

Despite generally decreasing violent crime rates, domestic and sexual violence continues to impact the lives of far too many District families and individuals. In 2013, close to 33,000 domestic violence-related calls were made to MPD and the past year has seen an increase in domestic violence homicides. As D.C. grows, local government must expand the availability of high quality services and supports for all victims of crime in addition to increasing efforts aimed at prevention.
The Fair Budget Coalition recommends that D.C.: invest an additional $1.3M to increase the baseline budget of the Office of Victim Services to a total of $18M (and supplement this amount as necessary to support culturally-specific programming to underserved communities); fully fund the Domestic Violence Hotline and the costs of implementing the Sexual Assault Victims’ Rights Amendment Act; and increase by approximately $154,000 the Department of Human Services funds devoted to domestic violence housing and services, bringing the amount to parity with federal Family Violence Prevention Services Act grant monies.

**Food, Health, and Nutrition**

The D.C. Healthcare Alliance (“Alliance”), serves low-income residents who are not eligible for programs such as Medicaid or Medicare but are D.C. residents with incomes below 200 percent of the federal poverty level ($23,340 for a single person in 2014) and limited savings and assets. The program largely serves immigrants, the elderly, and residents with complicated and expensive health needs who are not eligible for Medicaid or Medicare. The Alliance covers a broad array of health services, including preventive care, prescription drugs, dental services, immunizations, and hospital care.

The fiscal year (FY) 2015 budget for the Alliance program is just over $50 million. While the program is intended to expand access, it has strict and frequent requirements to re-certify eligibility, which make it difficult for eligible residents to maintain their benefits. Restructuring the program in three key ways would improve access and improve health outcomes and reduce uncompensated care. The Fair Budget Coalition recommends that D.C. maintain funding for the Healthcare Alliance and improve access by switching from a 6-month recertification process to an annual recertification, allowing community health workers to assist with parts of the recertification, and allowing Alliance participants to apply online.

**Tax and Revenue**

In FY2016, the District is facing more than a quarter-billion-dollar budget shortfall. The indicators mentioned throughout this report demonstrate that D.C.’s poorest residents need to see expansions, not cuts, in funds for services. To make sure that D.C. raises the revenue to adequately support programs that lift people out of poverty, the Fair Budget Coalition recommends the following:

**Increase Property Taxes on High-Value Homes**

Non-regressive means to bring in additional revenue to D.C. including: applying a higher tax rate to the portion of home value above a specified level; phasing out the homestead deduction for homes above a specified level; and increasing the property tax on homes that are not someone’s primary residence, including those who own homes in D.C. but claim residence and pay income taxes elsewhere.
Progressive Income Tax
D.C.’s tax system is largely regressive. For families with incomes of roughly $50,000, their taxes as a share of income actually decline as their income rises. The top 1% of earners, averaging $2.4M in income, only pay 6.2% of their income in D.C. taxes, which is less than every other income group. District families in the middle spend about 11% of their income in taxes, giving them one of the highest middle-income tax liabilities in the nation. Making the tax system more progressive will help relieve low- and middle-income families of a high tax burden and generate more revenue for D.C.

Maintain the Threshold of the Estate Tax:
The threshold of the estate tax is set to raise from $1 million to $5 million over the next four years. This would further reduce the progressivity of our tax code and deprive D.C. of almost $16 million in revenue annually.

Spend 50% of the Year End Surplus
The District has run a budget surplus for each of the last 15 years. The amount is unpredictable from year to year, but totaled $1 billion over the last three years. Current law requires the District to set aside hundreds of millions of annual surpluses to build up reserves, even though the District’s fund balance is at a record high level. The District should alter those requirements to save a portion of the surplus, but also to spend a portion on important needs. Because surplus amounts are unpredictable from year to year, the funds should be spent on one-time needs, such as renovation or construction of affordable housing, rather than programs that will need funding every year.

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