District of Columbia budget proposal covers over deepening inequality

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On Thursday, March 28, the Democratic mayor of the District of Columbia unveiled his proposed budget for fiscal year 2014. The proposal, which was named "Investing for Tomorrow," represents a $79.7 million rise in funding over last year's budget. The city has a reported budget surplus of nearly $190 million this year, following after a $417 million surplus a year earlier. Though not the final version, which is planned to be introduced by the city's legislators later this year after considering the current proposal, the bill has received considerable fanfare from local media commentators due to various funding initiatives included within it.

Responsible for much of the attention are the inclusion of numerous spending increases for social programs, which have been ferociously attacked in the past decade. Included are provisions such as an increase in affordable housing, education and plans for revamping District libraries, city infrastructure, and funding for city parks. While appearing substantial, when viewed more closely the plan represents handouts to various private interests with window dressings for public services. The budget proposal is meant to paper over the depth of the social crisis in the US capital.

Gray is keen to fend off criticisms after a recent slew of reports showed that the District's General Hospital, the largest city shelter, was housing an unprecedented amount of children in its facilities. Announcing that a "historic investment" of $100 million had been made to help District residents find affordable housing, Gray has focused much on this provision. Though seemingly substantial, a recent analysis by the D.C. Fiscal Policy Institute found that subsidized housing would remain sorely under-funded. Harry Sewell, the city's Housing Finance Agency director has made similar comments, saying that such a goal could "take anywhere from $500 million and a billion dollars to accomplish."

It is telling to note that the mayor's proposed sum of $100 million, directed at the building of 10,000 units by 2020, wouldn't even account for the 15,000 affordable units (homes classified by the D.C. Fiscal Policy Institute as those renting for $750 or less) wiped out in the period between 2000-2008, let alone the continued destruction of affordable homes in the District since that time.

The District of Columbia has seen a near hollowing out of affordable housing in the recent period. At the same time, the construction of "high end" homes, classified as renting for $1,500 or more, has increased, driving rents up as a whole in the D.C. area. This process in part accounts for the existence of the budget surplus.

Another notable inclusion in the mayor's proposal is a provision for the extension of Temporary Aid for Needy Families (TANF) benefits to single-parent households. A recent decision by city legislators to eliminate the benefits for families whose five-year period in the program had elapsed would leave several thousand households cut off from a social safety net. The new proposal allows an increase of $40 million to be provided in order to slow implementation of these provisions, which were to go into effect come October. Under the new stipulations, families will still see their maximum benefits slashed by half.

Due to the concentration of federal government jobs, the city has largely been able to skirt the economic effects of the 2008 financial crisis. The city is also a haven for private interests, with lobbying firms in the area multiplying by double in the period from 1981 to 2006. This process has seen a parallel destruction of living standards for the vast majority of workers living in the city, with a majority of federal jobs paying

salaries over $100,000 while the rest of the population has been left to fend for itself.

One of the proposed budget's most significant sections, education, contains an $81 million provision for the expansion of D.C. public charter schools. This inclusion was depicted as a major "cost driver" by the city's financial office. This is of a piece with the drive across the country by Democratic and Republican administrations alike to provide public funding to entities set on the privatization of education.

Several days before the budget was revealed, it was announced that the D.C. Public Charter School board (PCSB) was compelled to launch an investigation into public charters operating in the city, citing instances of special needs children being more frequently expelled than other students inside the facilities. Similarly, the increased funding for charters stands in contrast to the decline in support for traditional public schools, of which 15 were recently slated for closure by the education chancellor Kaya Henderson, acting under the office of the mayor.

In this context, the DCPS announced a $300,000 cut to the Fillmore Arts Center. Likewise, the inclusion in the budget of the One City Fund, a competitive grant service intended to outsource city work to various "not-for-profits" is another "ambitious" project meant to funnel public funds into private hands.

One item which failed to receive consideration in the budget, the Interim Disability Assistance program (IDA), provides temporary benefits to disabled residents who must wait in order to qualify for federally-supplied Supplemental Security Income (SSI). In the wake of the 2008 financial crisis, the program was slashed from $6 million to only $1.5 million today, with no apparent intentions of restoring it.

The budget plan comes at a time when austerity is being imposed on the population. The federal sequester and the imposed furloughs, which will primarily harm lower-paid workers, are expected to undermine any social services the city might provide. Representatives of the District are aware of this; in February, commenting to the *Washington Post* about the continual budget increases, D.C. Chief Financial Officer Natwar Gandhi said that "at 1.5 percent and 1.3 percent, respectively, revenue growth for FY 2013 and FY 2014 is expected to be much slower than in FY 2012, when it grew by 10.6 percent. A large part of the reason for slower growth is the combination of federal austerity and slower employment growth."