DC Council: Raise Revenue. Fund Our Kids' Future!

DC Action - and the hundreds of partners who make up our Under 3 DC, Out-of-School-Time, and Youth Economic Justice Coalitions - is calling on the DC Council to act this fall to adopt bold, progressive tax policies that will grow the District's revenues to sustain and increase investments in critical programs that support DC's children, youth, and families.

The programs that we care about are significantly underfunded, and with DC's spending pressures across the budget, the Council must raise revenue to meet the moment.

What's at Stake for DC's Kids and Families:

Early Childhood Education

- At the start of FY27, the District's childcare subsidy program continues to operate with a waitlist, delaying families' timely access to affordable childcare. To truly eliminate the waitlist this year, supplemental funding appears necessary (~$24 million funding gap from DC Action's FY27 budget request).
- The Early Childhood Educator Pay Equity Fund was only one-time in FY27, at ~$20 million less than DC Action requested. Without new revenue, there is no way to sustain this successful program, let alone return early educators to full pay parity (PEF requires at least $100 million annually to achieve pay parity with PK-12 educators).
- DC's Childcare Subsidy Program makes early education affordable for thousands of children and families and should be expanded to reach all District families, requiring the subsidy budget to be more than doubled in the years to come.

Out-of-School-Time Programs

- Grants issued by the Out-of-School-Time Office are slated to be cut by as much as $12 million next year, as half of the Office's budget was only funded one-time in FY27.
- OST opportunities are transformative for DC students, cultivating new skills and passions, boosting their attendance and academic outcomes, and keeping them safe outside of school hours while parents work. The District should be investing as much as $275 million to bring enriching OST programming to all public school students.

Youth Economic Justice

- The FY27 budget failed to meet DC Action's budget request for youth homelessness services by ~$4 million. To truly prevent and end youth homelessness, the District should double down on its investments in comprehensive housing services and wrap-around support for transition-age young adults.
- To create access to quality jobs and economic opportunity for youth of color, DC must overhaul its approach to workforce development. DC Action and our partners aspire to enact a youth job guarantee, an initiative estimated to cost $250 million annually.

What's at Stake for DC's Kids and Families (Cont.)

The Larger Social Safety Net for Children and Families

- TANF, SNAP, WIC, Medicaid, Alliance, Paid Family Leave, School-Based Behavioral Health, Community Schools, ERAP, Housing Vouchers, etc. - all have seen cuts or been woefully underfunded in recent years. Even the Uniform Per Student Funding Formula, which sustains our public schools, relied on one-time funding in FY27! Austerity budgeting creates further harm to families already struggling to get by. Instead, investing fully in DC's lower-income, predominantly Black and brown families is how we break cycles of poverty and reduce racial and economic inequality Districtwide.

The DC Council must raise revenue *progressively* and *equitably*.

We urgently need to raise revenue to protect and increase funding for critical programs that children, youth, and families need to thrive. By closing loopholes that benefit very wealthy households and business operators, the DC Council can create a more productive, resilient, and equitable tax code. A just tax system is one of the greatest levers we can use to support our kids' futures, end child poverty, and reduce inequality. When considering revenue proposals, the Council must prioritize:

1. **Sufficiency: Raising enough revenue to meet the moment**
   The Council must adopt a package of tax reforms that raise enough revenue to both avert the FY28 fiscal cliff and achieve big, structural changes such as implementing universal childcare and OST, ending child poverty and youth homelessness, and closing the District's racial wealth gap.

2. **Progressivity: Asking the most of individuals and businesses with the greatest ability to pay**
   Progressive tax proposals - such as the Wealth Proceeds Tax, the Business Activity Tax Resiliency Act, the Land Value Tax, Pied-à-Terre, and property taxes targeting high-value homes - are designed to raise revenue by closing loopholes and requiring our very wealthiest households and businesses to pay their fair share.

3. **Urgency: We need revenue solutions NOW**
   We need to implement income or wealth tax reforms this fall so that changes can apply to tax year 2026, bringing in revenue needed to maintain a balanced budget in FY27, enabling an infusion of FY27 supplemental funding, and setting up the FY28 financial plan for greater solvency. The longer we wait to solve our funding pressures, the worse the impact of budget cuts will be - and kids and families will be hit hardest.