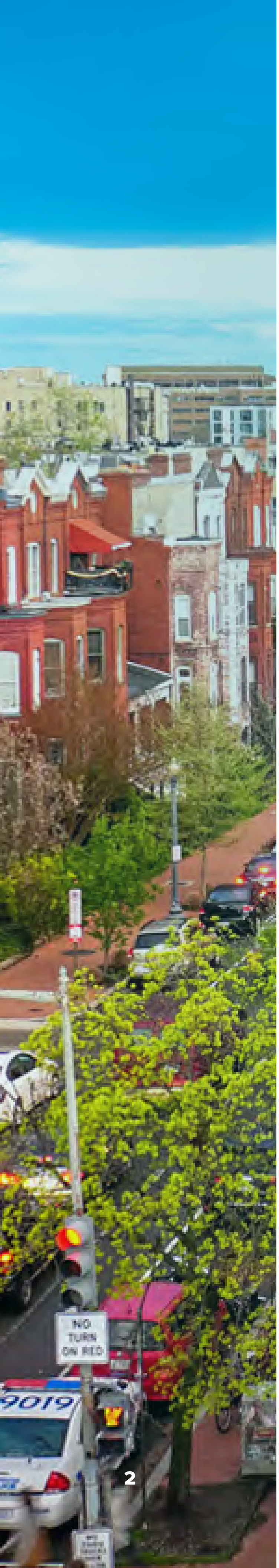
IMPACTS

2022 Annual Report

D.C. POLICY CENTER



Contents

The D.C. Policy Center's fiscal year runs from January 1 through December 31. The Annual Report is published in the following June, to ensure that audited financials can be included. As always, our thanks to the local photographers whose images appear throughout our work, including this Annual Report. Except where otherwise noted, all photos are by Ted Eytan, Bekah Richards, and Aimee Custis, and are used with permission.

Introduction from the Chairman and Executive Director

While it would be convenient if public policy happened in predictable cycles, the reality isn't so tidy. Change comes in fits and starts, often following years of lead time. When done right, it requires trust, expertise, and constructive dialogue grounded in data.

Likewise, success in the policy arena requires flexibility and a willingness to examine hard truths. The D.C. Policy Center's fifth anniversary in 2022 provided a valuable opportunity to take stock of our mission, how we work to accomplish it, and our overall impact.

We share with you—our colleagues, supporters, and friends—a vision for a vibrant, competitive local economy that maximizes opportunities for everyone. And we believe that the city can provide the investments and support that District residents and businesses need only when there is sustainable economic growth.

Our mission at the Policy Center is to arm decision makers with actionable research that can improve public policy. And our values—objectivity, neutrality, a grounding in data, proactive engagement, and a deep commitment to economic opportunity—have helped us pursue our mission effectively. In the coming years, our work—which prioritizes economic policy and competitiveness, public education, housing, and workforce—will be needed even more. As the city strives to put the pandemic in its rear view mirror, it faces challenges not seen here in a generation.

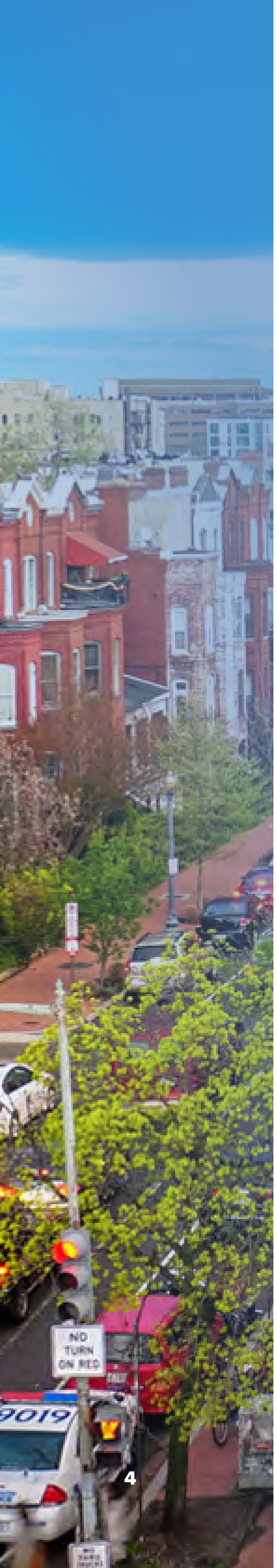
The District persists in having the highest rate of post-pandemic remote work in the country. Federal workers, who make up a significant share of the workforce, have still not returned to their offices in large numbers—and downtown suffers as a result. As office demand declines, commercial real estate values have plummeted, jeopardizing the city's fiscal health. Crime has increased. And students are struggling to recover from pandemic learning loss, the extent of which we are still uncovering.

Successfully navigating the city through these challenging times will require a shift in mindset by policymakers away from an assumption of ever-increasing resources, and toward fiscal responsibility. As you'll read in these pages, we are playing an important role in setting that shift in motion—with real results.

On behalf of our colleagues on the Board, and the staff of the D.C. Policy Center, thank you for your continued support.

Charles "Sandy" Wilkes
Chairman of the Board

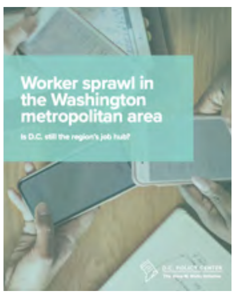
Yesim Sayin
Executive Director

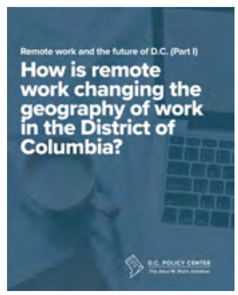


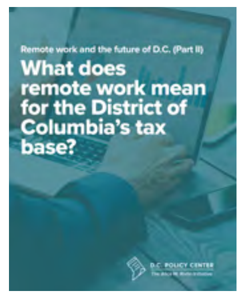
BY THE NUMBERS

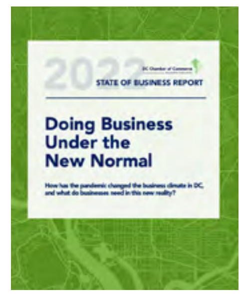
What we’ve published

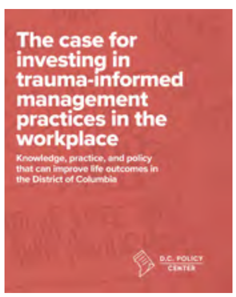
Since our founding in 2016, the D.C. Policy Center has published 428 original reports, articles, and original work. Since January 2022, we have added 14 in-depth reports and 71 shorter-form publications to our library.

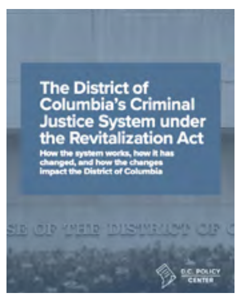


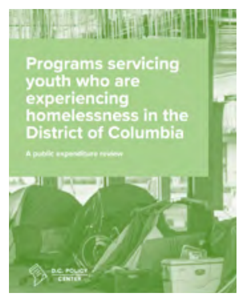


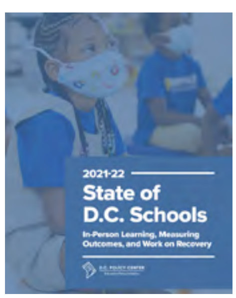


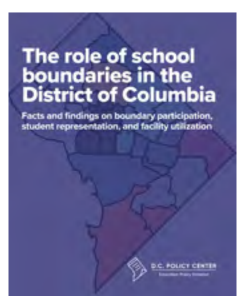


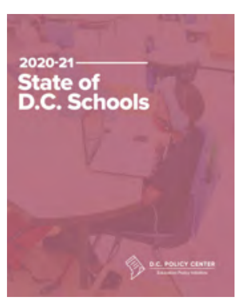












Our reach

While we strive to cultivate a broad audience, the D.C. Policy Center also works to have the ear of the right audience, to help our work gain traction and reach in the marketplace of ideas.

122K

Website views

More young people are visiting dcpolicycenter.org—53% of visitors are age 34 or younger.

6K

Followers and subscribers

More people are seeking out the Policy Center's expert analyses. Our followers and subscribers grew by 20% in 2022.

70

Media mentions

All of D.C.'s top local media outlets cited the D.C. Policy Center in 2022, as did many national outlets. The Policy Center is cited, on average, 1.3 times each week.

279

D.C. government staff

Those who work in or report to the Wilson Building—as well as the Mayor and all 13 Councilmembers—subscribe to the D.C. Policy Center.

Who we're working with

Policy ideas are of limited use if they gather dust on a shelf instead of being put into practice. Building partnerships, educating the community, and working with stakeholders of all stripes to advance good ideas are what bring our work to life. Below is a selected list of those we've engaged, supported, or partnered with this year.

- Anne Frank House
- Bisnow
- Black Swan Academy
- Business Coordinating Group
- Capitol Hill Village
- Catalogue for Philanthropy
- CityWorks DC
- COMPASS
- Data Quality Campaign
- DC Action
- DC BID Council
- DC Chamber of Commerce
- DC Department of Human Services
- DC Department of Insurance Securities & Banking
- Office of the Deputy Mayor for Education
- Office of the Chief Financial Officer
- DC Education Research Collaborative
- Developer Roundtable
- Douglas Land Trust
- ElectED DC
- Federal City Council
- Georgetown University
- Greater Greater Washington
- Leaders of Color
- League of Women Voters
- Metropolitan Washington Council of Governments
- PAVE
- Mikva Challenge
- Pi Sigma Alpha
- PIE Network
- SchoolTalk
- SPUR
- Spark the Journey
- Ward 3 Democrats
- Youth Invest Partners

THE IMPACT OF OUR WORK

Remote work's lingering economic toll

D.C. is among the major metropolitan areas where remote work has taken its deepest root, with real economic consequences.

Opinion | D.C.'s downtown is comatose. Here's how to revive it.

Washington Post Editorial Board • November 23, 2022

A D.C. Policy Center report in May summed up the city's challenge: "Our best estimate is that of the 401,481 workers who commuted to D.C. from elsewhere prior to the pandemic, 155,550 can do their jobs from home." There simply won't be as much need for office space going forward. That's a massive problem for downtown D.C., which the mayor's office says consists of more than 90 percent commercial space and only 8 percent residential.

A clear consensus has emerged that the District of Columbia will need to re-imagine downtown to rebound from the profound changes wrought by remote work.

Building a drumbeat: The scope of COVID's economic impacts from the beginning

The Policy Center's Alice M. Rivlin Initiative for Economic Policy & Competitiveness has been the hub of our work on COVID's economic toll. The first of the Rivlin Initiatives flagship reports on remote work and the future of D.C., **How is remote work changing the geography of work in the District of Columbia?** found that remote work is most prevalent in industries with better pay and highly educated workers, making it a particularly vexing problem in the District. It also highlighted that, pre-pandemic, more than two thirds of the city's workforce commuted in from other jurisdictions.

To sharpen the focus on remote work's impacts, the Rivlin Initiative published nine short pieces on this topic as part of our **Chart of the week** series. Our writing on remote work has been viewed by over 10,500 readers. And this work has reached an even wider audience with repeated coverage in both general interest and special-interest media outlets.

Downtown conversions: Priming the pump on long-term solutions

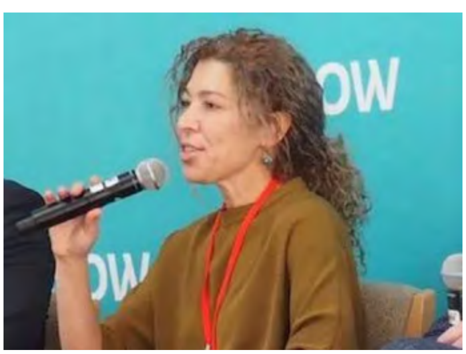
The same Washington Post op-ed that cited our remote work report continued with a reminiscence of then-Mayor Marion Barry in the 1990s, lamenting "I should have surrounded these [downtown] squares with residential 20 years ago."

Indeed, our assessment of the city's office market, **Is mixed-use the future of downtown D.C.?**, found that even pre-pandemic, neighborhoods combining housing and commercial uses had become increasingly competitive with downtown, and diversifying downtown would help protect District revenue from future economic downturns. **A new regional playing field: How can D.C. stay economically competitive with** its suburban neighbors? added further urgency, finding that D.C.'s suburbs have increased their competitive position during the pandemic.

Now, to attract and retain residents, the city is turning to office-to-residential conversions to assure downtown's future viability. Examining office to residential conversions in the District dug into challenges associated with such conversions, highlighting the policies and incentives the city will need to meet the Mayor's goal of 15,000 new residents in downtown in the next five years.

Innovative use of data: Measuring remote work-adjusted job activity in D.C.

Amid a growing feeling that conventional economic measurements weren't fully capturing the depth of remote work's impacts, we set out to find a measure that would. Worker sprawl in the Washington metropolitan area: Is D.C. still the region's job hub? introduced 'job activity' to capture the spread of regional jobs based on where workers are actually working—and uncovered that the city's regional economic positioning is weaker than is broadly recognized.



Executive Director Dr. Yesim Sayin spoke on a January Bisnow panel on declining D.C. office valuations with the onset of remote work. Photo: Bisnow/Jon Banister.

In April, Rivlin Initiative Research Director Bailey McConnell spoke to Swiss television about downtown's laggard recovery from COVID. Photo: Swiss Broadcasting Corporation.

Leading necessary discussions of the right approach to the problem

With numbers in hand on the impacts of remote work and the challenges of office-to-residential conversion, much of 2022 focused on conversations with lawmakers and the real estate community on paths forward. Our staff continue to work with District agencies and several Councilmembers and serve as a sounding board and resource.

In addition, our invitation-only breakfast series has developed into a forum for candid conversation between the business community and city leaders. We have met with D.C. Council Chairman Phil Mendelson, Councilmember Kenyan McDuffie, and Chief Financial Officer Glen M. Lee about the city's current path, and what is needed to improve its trajectory.

Executive Director Yesim Sayin was invited by the D.C. Council to present at its annual retreat—and used the opportunity to share with the Council how the D.C. Policy Center is tracking job activity, what our research reveals, and why our findings matter for the Council's work.

1 in 4

By our estimate, 155,550—or 1 in 4—private sector workers who once commuted to D.C. could remain permanently hybrid or remote.

$900m

How much lower D.C.'s actual revenue was in 2022 compared to the CFO's pre-pandemic projections for the same year—or 90% of the city's debt service.

THE IMPACT OF OUR WORK

The fiscal cliff

Amid economic headwinds and disappearing federal aid, the District's reliance on commercial real estate taxes coupled with a flagging downtown means D.C. faces a fiscal reckoning.

40% of D.C.'s property tax revenue is at risk due to prolonged remote work, because it comes from large office properties, rather than residential or mixed-use. Photo: Ted Eytan.

$1b

How much one-time money the District is relying on to produce a balanced budget in FY 2024.

After two decades of unqualified economic success, residents and decisionmakers in the District have grown used an abundance of federal fiscal aid during the pandemic, and an ever-growing budget with new and expanded programs and services. New economic conditions are now afoot. The city must recognize these painful new headwinds and respond with different strategies to avoid repeating the District's meltdown of the 1990s.

Recognizing the early signs and sounding the alarm

As far back as early 2019, the D.C. Policy Center recognized that D.C.'s budget is growing faster than economic fundamentals can support.

Prior to the pandemic, the District's robust revenue growth stemmed from both its resident population and its commuter population. In July, the second of the Rivlin Initiative's flagship reports on remote work and the future of D.C., What does remote work mean for the District of Columbia's tax base?, estimated that D.C. could lose up to $190.9 million in sales and commercial property tax revenue alone. The report made recommendations that in order to maintain, much less grow, its tax base, the city should diversify downtown, build more housing, offer a better business environment, support public transit, invest in public safety, focus on forward-thinking policies, and play to the city's existing competitive advantages.

Illuminating and quantifying the city's demographic losses and bright spots

In addition to the pandemic's impacts on downtown and the commercial tax base, we wrote In the second year of the pandemic, D.C. gained early-career workers, but lost high-income residents, which confirmed the business community's long-held suspicions that the city's income tax base (long viewed as invulnerable) might also be at risk. The report garnered coverage in outlets including the Washington Examiner, Axios, DCist, and Fox News.

Writing for the DC Chamber of Commerce in September, we identified in the 2022

State of Business report how, amid a difficult year, the District actually saw a wave of new businesses—and that supporting them will be critical to the city's long-term recovery. The city is using our analyses as it drafts its next five-year Economic Development Plan.

Driving a conversation in the media and at the D.C. Council

At the D.C. Council, we testified four times in 2022 on matters related to the District's changing economic conditions, the increasing fiscal risks, the value of deregulation and streamlining to improve the business climate for business owners and entrepreneurs.

Our expressed concern over the city's fiscal future gained traction in local media as well, with jonetta rose barras asking "How soon will the drought come, and what's the plan?" in The DC Line and Axios adding, "D.C. struggles to retain millennials."

Putting theory into practice at the Tax Revision Commission

Tax reform is among the most sensible, impactful tools to counter the city's financial headwinds. The D.C. Policy Center has been a longtime advocate for reinstating a Tax Revision Commission, which successfully created reforms in both 1996 and 2012.

After several years of advocacy, in the spring of 2021, the Mayor and the D.C. Council authorized a new commission that would reconvene every 10 years. In April 2022, Council Chairman Phil Mendelson appointed D.C. Policy Center board member Anthony A. Williams of the Federal City Council to chair the commission, as well as Executive Director Yesim Sayin, and Board member Jodie McLean as commissioners.

At a May 2023 District Strong virtual event hosted by the Federal City Council, D.C. Councilmember Kenyan McDuffie, who chairs the Council's Committee on Economic Development, cited our report series, Remote Work and the Future of D.C., as an important information resource for his work on the District's economy. Photo courtesy Councilmember McDuffie.

What we are watching for

The next few years will be critical for the District to regain its fiscal footing and adopt policies that will strengthen the District's competitiveness. The Policy Center is focusing on the underlying fundamentals including population change, commercial property values, employment, and job activity. The next budget season, preparing for fiscal year 2025, will be especially difficult. The Policy Center will closely track the revenue picture, and work on policy proposals that can contribute to fiscal discipline, and spur economic growth.

$738m

The estimated budget shortfall for FY 2025 facing the Washington Metropolitan Area Transit Authority (WMATA).

THE IMPACT OF OUR WORK

A novel approach to affordable housing

Affordable housing is critical to the District's future. Our policy model can create it at lower cost than conventional methods.

To keep costs down, most affordable housing is built in areas where the cost of land is lower, perpetuating segregation. Our Inclusionary Conversions model allows for affordable units to be established quickly and cheaply in well-resourced areas of the city, such as Wards 2 and 3. Photo: BeyondDC.

Subsidized affordable housing in D.C. is expensive and slow to build. Yet an abundance of safe, accessible, affordable housing is in the best interests of residents, businesses, and government.

Grounded in our past research on the District's housing market, our most recent work on affordable housing has moved from data and analysis to the formulation of an actual program—an exciting direction that is appropriate for an action-oriented think tank.

The problem

Because most publicly funded affordable housing is new construction, it is very expensive and tends to be built in parts of cities with lower land costs, which further contributes to segregation and concentrated poverty. In D.C., for example, half the subsidized units built since 2015 are in the city's two wards with the highest incidence of family poverty (Wards 7 and 8).

Even at these locations, units can cost close to $500,000 each to produce, and current programs cannot produce deep affordability without additional operating subsidies.

A market-oriented solution

The D.C. Policy Center has proposed a model that converts a small share of market-rate units in existing multifamily buildings into rent-restricted units. Under this model, a nonprofit acts as a broker between landlords, investors (such as corporations or philanthropies, employers looking to find affordable housing for their workers, and government), and tenants. This model has several advantages over traditional publicly funded housing models: it is cheap, quick, flexible, and it aligns the interests of all parties involved.

Importantly, this model can leverage different types of funding. Corporations and employers can create a valuable benefit to attract and retain employees without putting pressure on the housing market. For philanthropy, this cost-effective model can be easily scalable and visible with a potential national impact. For investors and social impact funds, the model can provide a stake in a low risk diversified investment. And finally, for municipalities, this model can help respond to "missing-middle" concerns in high-cost urban areas, while creating affordable housing in well-resourced neighborhoods with restricted land use.

A viable financial model to house nurses, teachers, and essential workers

The D.C. Policy Center created a financial model that includes Washington D.C. and four other metropolitan areas. The model tracks rental costs to estimate the subsidies required to create affordability for various target populations. The model can be calibrated to estimate the necessary subsidy at various affordability levels. It can also be used to estimate the subsidy for workers in 13 different occupations.

For example, our modeling predicts that the annual cost of creating an affordable studio unit for a childcare worker in Ward 2 is just under $5,000. Providing a two-bedroom apartment in Ward 2 for a middle school teacher would cost $13,000 annually, and subsidizing a nurse's assistant for a one-bedroom apartment in Ward 5 would cost just under $8,000.

Next steps: Working with business and philanthropy

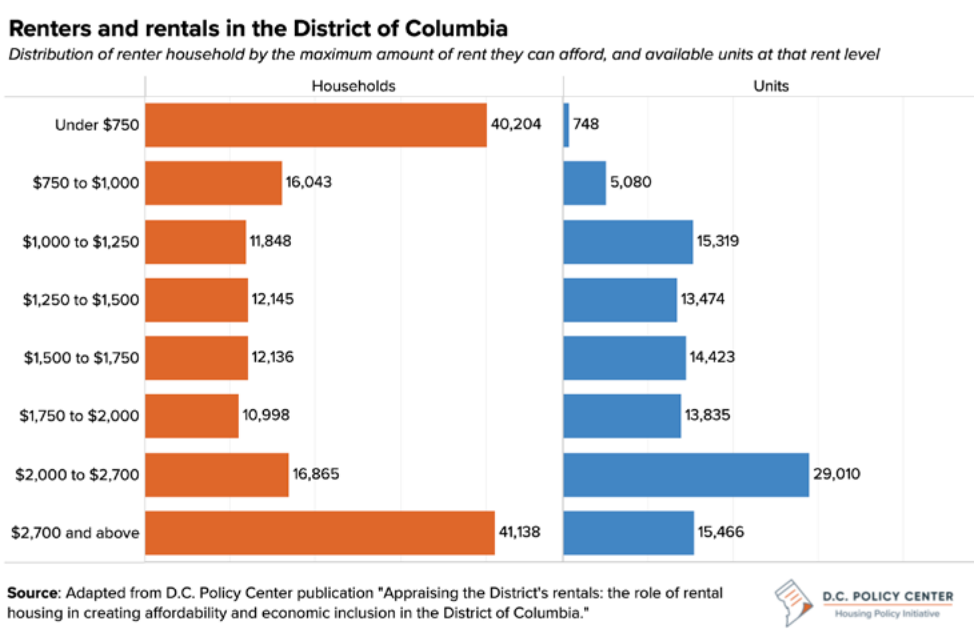
We began laying the groundwork for this project in 2022, and so far, have secured funding and commitments from three foundations. We are also working with DLA Piper, which has committed pro bono time to help us develop the legal and financial structures. We have begun putting together an advisory working group to guide the project and are now identifying potential development partners and target jurisdictions for the pilot project, starting with the District of Columbia.

The potential for a national policy impact

Our goal is to launch a regional pilot in 2024 with up to 200 units that can serve as proof of concept. Ultimately, we hope to see this idea adopted and implemented nationally.

22 nurses

could have affordable places to live for five years under our model—for the same cost of building one new unit of affordable housing under conventional models.



Of the District of Columbia's 93,000 households that earn less than 80% of Area Median Income, approximately 40,000 can keep rent burdens under 30% of their incomes only if they spend less than $750 per month on rent. In comparison, we counted fewer than 800 rental apartment units with a rent below $750. As a result, these renters must pay a higher percentage of their incomes to live in D.C. and likely need subsidies to stay here sustainably.

THE IMPACT OF OUR WORK

Education research that empowers positive change

A city's education system augurs its success. Our Education Policy Initiative collects and analyses data on some of the District's biggest education policy challenges and innovations.

Aracely Hernandez is an adult learner in the Medical Assistant program at LAYC Career Academy PCS. Hernandez spoke about her experiences at our launch event for the report, 'A landscape of D.C.'s adult public charter schools,' which examines D.C.'s unique adult public charter school program.

When it comes to evaluating programs and making decisions, District policymakers and residents are accustomed to having a myriad of data at their fingertips. Yet, in some instances, data are surprisingly absent, and the impacts on our education system are tangible. Together with our partners in the education sector, the Policy Center's Education Policy Initiative is working to identify and remedy these gaps.

Driving a conversation around school recovery and learning loss

Our fourth annual State of D.C. Schools 2021-22 examined the transition back to in-person learning, measuring outcomes for the first time since the start of the pandemic.

The report found that notwithstanding the universal return to in-person learning, students were still recovering socio-emotionally, and those impacts played out in (and outside) the classroom: 48% of public school students were chronically absent in school year 2021-22, compared to 29% pre-pandemic in 2018-19.

The report also found that of every 100 ninth graders in D.C.'s public schools, only 8 complete a post-secondary program (such as college) within 6 years of graduating high school. Currently, D.C. has no mechanism to collect data on the outcomes of the other 92 of 100 students after high school.

Catalyzing a coalition of data supporters

These findings made major waves—together with our 2021 report Measuring early career outcomes in D.C.—at the D.C. Council's education oversight hearing in April 2023, where the Policy Center's work was cited six separate times in a single hearing, by educators, advocates from DC Action, Kindred, and CityWorks DC, and employment data advocates from the Federal City Council and the Center for Regional Economic Competitiveness.

Our findings on the lack of early career data on recent District graduates were also featured by national nonprofit Jobs for the Future.

Evaluating high-impact tutoring

Post-pandemic, high-impact tutoring (HIT) has emerged as one strategy to accelerate learning in D.C. Backed by research guidelines, HIT is concentrated, consistent, and builds strong tutor-student relationships.

Our Landscape of high-impact tutoring in D.C.'s public schools, 2021-22 highlighted the immense coordination effort across systems-level actors and organizations, local education agencies (LEAs), schools, and tutoring providers in the year following the pandemic.

Setting the stage for a community-wide conversation on school boundaries

For only the second time since 1968, the District is reviewing school boundary assignments. Based on their home address, these assignments determine the schools where each D.C. student is guaranteed a seat.

In advance of this process, the Policy Center published The role of school boundaries in the District of Columbia: Facts and findings on boundary participation, student representation, and facility utilization, to build a shared understanding of current school boundaries and their impacts. Among the findings:

- 75% D.C. public school students do not attend their by-right school.
- At Jackson-Reed (formerly Wilson) HS, Black students are under-represented and white students over-represented by at least 30 percentage points.
- In general, by-right schools are not racially or socioeconomically representative of students citywide.

As news coverage began to ramp up on this important topic, journalists repeatedly turned to our report and experts—six times and counting to date—to ground their reporting in objectivity.

Highlighting the innovation, impact, and potential of adult public charter schools

In D.C.—where many adults lack a high school diploma and most jobs require some postsecondary education—career and education support for adult learners is incredibly important.

D.C. is unique in offering adult public charter schools that are funded in the same way as PK-12 schools. D.C.'s adult public charter schools: Who they serve, how they serve, and what they achieve examines the 9 schools in D.C. that serve adult learners through a combination of academic and workforce supports and connect learners to postsecondary and workforce opportunities.

8 in 100

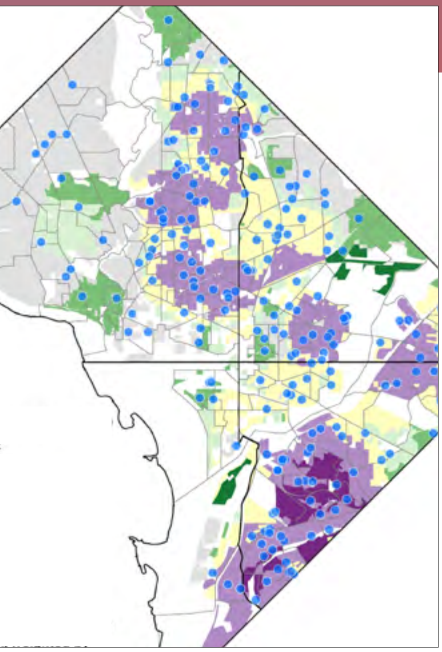
public school students in D.C. complete post-secondary programs within 6 years of graduating from high school. Minimal data exist on what happens to the other 92 students.

Over 70 education stakeholders including State Superintendent of Education Dr. Christina Grant, State Board of Education President Eboni-Rose Thompson and OSSE student representative China Jones-Burgess attended our fourth annual State of D.C. Schools report launch at MLK Public Library in March 2023.

THE IMPACT OF OUR WORK

Policy approaches to foster a safer D.C.

The emerging issue of public safety is vitally important to the District's economic success and quality of life. We are examining the scope, implications, and preventative programs for addressing it.



Our homicide exposure maps made waves in the media with a new way to look at violence's impact on children and the community—and now, we're adapting the methodology to create exposure maps for other violent crime such as aggravated assault, as well as student access to programs that can increase their safety, such as out-of-school time programs.

Evidence has shown that programs providing residents with the supports they need to live productive, healthy lives—such as housing, after-school care, and mental health support—are indispensable to the District's long-term public safety.

Mapping exposure to homicides and community violence—and talking about why it matters

Homicides have increased dramatically in the District of Columbia since 2017—and school children are feeling the impact.

In Proximity to homicide exposure in Washington, D.C., 2021, Policy Center contributor Alexander Din mapped where in the city residents and children are most likely to be impacted by community violence—showing that while the maps light up Wards 7 and 8, many other neighborhoods in the city are also being significantly impacted. Following up on Din's analysis, we published D.C. students are exposed to more community violence, authored by Dr. Jasmine Brann, Principal of Tyler Elementary in Ward 6. The piece explored statistics on local and national exposure to community violence and how community violence as an adverse childhood experience (ACE) has long-term effects on D.C. students, and suggested transformative practices for schools to help students cope.

Resources for afterschool and summer programs

Following up on an analysis we first wrote in 2017, we published Needs assessment of out-of-school time programs in the District of Columbia, detailing where students live and go to school, where out-of-school time programs are located, and how many seats are available. This report includes information on the experience of parents and guardians as well as program providers.

We conducted a parent survey in partnership with DC PAVE, and found that parents in all wards—except Wards 2 and 3—report worrying about their children's safety getting to and from school. Keeping kids safe is a major reason for participating in out-of-school programs, especially for households making under $50,000/year.

Safe spaces for youth experiencing homelessness

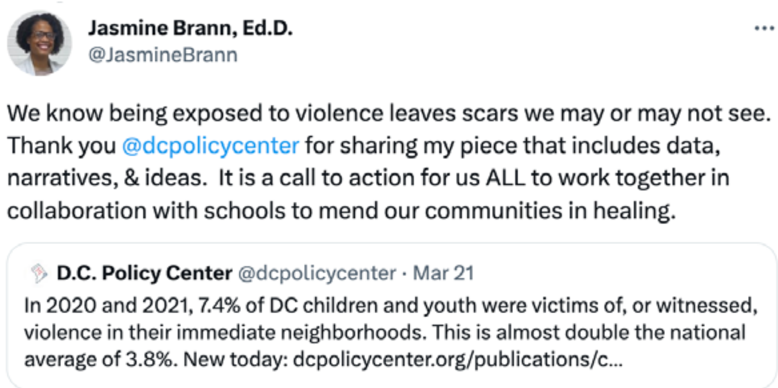
Making youth homelessness rare, brief, and nonrecurring is important in ensuring the safety of all District youth. Fulfilling a 2017 recommendation to the D.C. government, we published Programs servicing youth who are experiencing homelessness in the District of Columbia: A public expenditure review, exploring the evolution of youth homelessness services since the city began providing them in 2017.

We found that by FY 2021, funding had doubled from $11.1m to $22.8m, and that the city was funding 25 programs across 12 providers for a total of 1,347 youth-dedicated beds, up from 730 in 2017.

Studying trauma-informed workplaces

Data suggest that many adults in publicly-funded workforce programs have struggled to find and keep work. Even so, in FY21, the District invested $100.5m in these programs.

Studying Turnaround Inc., a nonprofit that employed individuals referred by social service and case management agencies, we published The case for investing in trauma-informed management practices in the workplace: Knowledge, practice, and policy that can improve life outcomes in the District of Columbia, which explores what we know about the impact of trauma on employee success, what role policy and public programs can play in strengthening supports to maximize the success of employees with trauma responses, and what employers can do to support employees who have trauma responses.


Jasmine Brann, Ed.D.
@JasmineBrann

We know being exposed to violence leaves scars we may or may not see. Thank you @dcpolicycenter for sharing my piece that includes data, narratives, & ideas. It is a call to action for us ALL to work together in collaboration with schools to mend our communities in healing.

D.C. Policy Center @dcpolicycenter · Mar 21
In 2020 and 2021, 7.4% of DC children and youth were victims of, or witnessed, violence in their immediate neighborhoods. This is almost double the national average of 3.8%. New today: dcpolicycenter.org/publications/c...

Dr. Jasmine Brann, Principal of Tyler Elementary in Ward 6, published her insights on community violence as a guest contributor.

An in-depth exploration of the District's criminal justice system

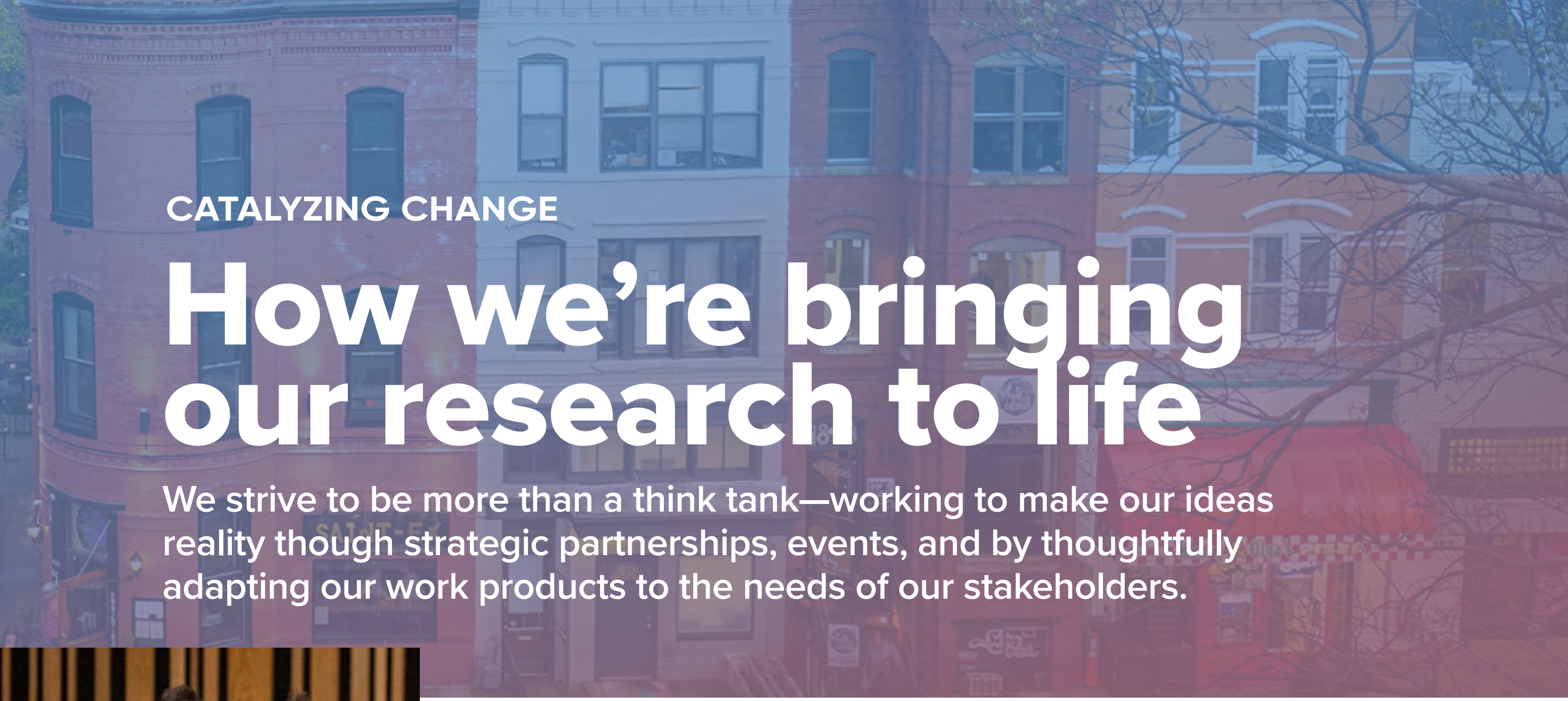
We were commissioned by the District's Criminal Justice Coordinating Council (CJCC) to undertake a study of the city's criminal justice system, which has been largely federalized since the Revitalization Act of 1997.

The District's criminal justice system is unique in its structure: the city shares criminal justice responsibilities with the federal government—a direct consequence of the Revitalization Act with implications for public safety, the delivery of justice, the treatment of incarcerated residents, and even statehood.

The District of Columbia's Criminal Justice System under the Revitalization Act explores how the system works, how it has changed, and how the changes impact the District of Columbia, including outcomes for D.C. residents in the system.

$400 to $750m

the estimated cost of constructing a new D.C. prison for 4,000 to 6,000 inmates. The annual operating cost to the District of such a facility (now a federal obligation) would be $180-$230m.



CATALYZING CHANGE

How we're bringing our research to life

We strive to be more than a think tank—working to make our ideas reality though strategic partnerships, events, and by thoughtfully adapting our work products to the needs of our stakeholders.

Washington Post reporter Lauren Lumpkin asks a question at our State of D.C. Schools event. Our mix of in-person and digital events has proven to be a draw—year-over-year participation is up by 28%.

Igniting passionate conversations about policy

2022 set a new standard at the Policy Center for integrating events into our research, advocacy and partnerships—with three report launch seminars hosted online, two such in-person events, and speaking engagements by Policy Center staff at events hosted by two dozen outside organizations. Our increased efforts to marry timely research with meaningful conversations paid off—participation in our events grew by 28% in 2022.

We have also spoken at events organized by other organizations, on topics ranging from the upcoming fiscal cliff in D.C.'s budget to Ward 3 Democrats to place-based environmental toxins to ER residents at George Washington Hospital.

A trusted outside source for D.C. government

The D.C. Policy Center has worked with many members of D.C. Council, and D.C. Policy Center reports are frequently cited by Council members and witnesses in Council testimonies. In addition, we presented our research on remote work and its impacts on the District's economy at the 2023 Council retreat.

We were also contracted by local government agencies including the Deputy Mayor for Education, the Department of Human Services, and the Criminal Justice Coordinating Council for specific projects.

Our research often involves collaboration with government entities including 11 federal agencies for our analysis on the effects of the Revitalization Act on D.C.'s criminal justice system, and the Office of Out-of-School Time Grants and Youth Outcomes for our analysis of out of school time programs in the District.

Charts of the week: Breaking down data on a weekly basis

In 2022, we launched Charts of the week. Typically comprised of a single graph and under 500 words, these short-form analyses, published online and in our newsletters, give us the flexibility to make important and relevant policy points in real time, share updates on recurring data sets, and cover issues otherwise not included in our annual research agenda.

Faster to produce, easier to digest, and more responsive to emerging issues, our Charts of the week often reach nearly as wide of an audience as our traditional reports and have been covered repeatedly by local news outlets.

Top Lines: Timely news and analysis for D.C. business leaders

In response to demand from prominent local business leaders, in early 2023 we launched Top Lines, a subscription-based bulletin to provide local policy top lines on the D.C. budget, the current legislative session, and other policy knowledge must-haves. Designed to be a 3-minute read, it's helping to build a following with distilled facts, figures, and suggested actions on issues salient to D.C.'s business community and the success of the city.

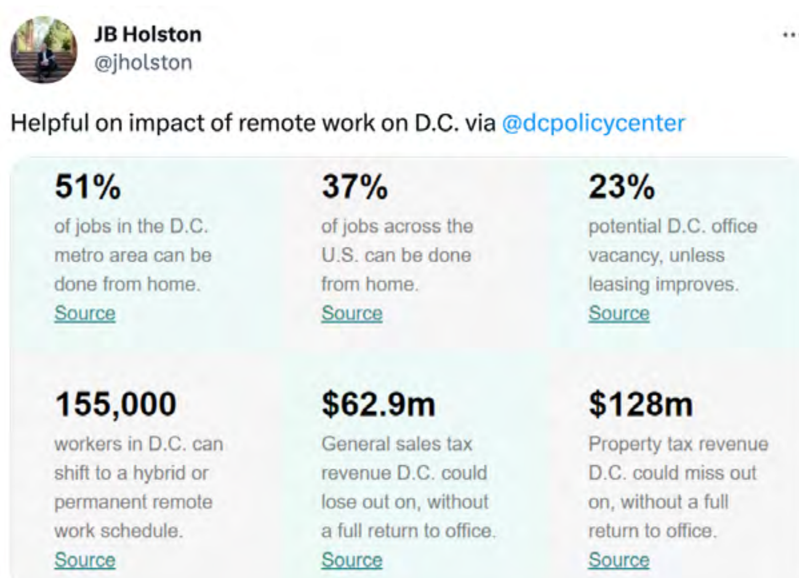
Identifying better metrics to measure our work

What gets measured, improves. In early 2023, we were selected by Compass Pro Bono for a best practices study of nonprofit success metrics. Over the course of five months, we worked with them to crystalized an organizational logic model. The result? The Compass team's recommendations on measurement, capacity, and communication are already improving our work.

Easier, faster access to our library of research

The vast majority of our audience finds us online, which means our website must be intuitive and easy to navigate. In January 2022, we unveiled the new dcpolicycenter.org. In the first six months following the relaunch, our web traffic increased by 58%.

Director of Policy & Research Emilia Calma (center left) serves as a judge at the Georgetown McCourt School of Public Policy's 2023 Georgetown Public Policy Challenge for graduate students. Photo/Georgetown McCourt School of Public Policy.



We're packaging our research and analysis in a variety of formats to meet the needs of our many audiences—ranging from elected officials, to academia, advocates, bureaucrats, journalists, students, business leaders, and the general public.

CATALYZING CHANGE

Milestones worth celebrating

2022 marked the fifth anniversary of the D.C. Policy Center's founding.

Meyer Foundation CEO George Askew at our Fifth Anniversary.

Ringing in five years of success

We are overwhelmed with gratitude to have celebrated our Fifth Anniversary last May at the Conrad Washington DC. What a happy occasion to celebrate! Together, we have created an institution that provides decisionmakers with fact-based, unbiased, and reliable analyses and offers practical solutions to difficult and complex policy issues. After two years of isolation, it was wonderful to join with over 200 people to enjoy the student musicians of the Duke Ellington School Jazz Combo and celebrate together our accomplishments and the role that the Policy Center now plays.

Maintaining Alice Rivlin's policy legacy

In March 2022, the D.C. Policy Center launched the Alice M. Rivlin Initiative for Economic Policy and Competitiveness.

Left to right at our Fifth Anniversary celebration: Manonne Butler. Executive Director Yesim Sayin, Council Chairman Phil Mendelson, and Policy Center Chairman Sandy Wilkes. WMATA Board member Tracy Hadden Loh and Eugene Kinlow, Director of the D.C. Office of Federal and Regional Affairs.

The initiative is named for the late Dr. Alice M. Rivlin, a friend and advisor of the D.C. Policy Center. Three core principles shape the Rivlin Initiative:

1. Economic growth is necessary for sustained economic mobility.
2. The District of Columbia must remain competitive in the region and in the nation to continue to grow and increase opportunity.
3. Combined with thoughtful policies, economic growth can create the fastest path to shared prosperity.

We're building a deeper understanding of the competitive dynamics within our region to support a strong and growing District of Columbia and regional economy. We will strive to have the Rivlin Initiative live up to Dr. Rivlin's profound impact on the District of Columbia.

WAMU editor and reporter Martin Austermuhle discusses Alice Rivlin's legacy in local D.C. politics and governance with Mayor Anthony A. Williams at our November event, "Divided We Fall," launching Rivlin's final book, finished posthumously by her children.

Partners in Policy

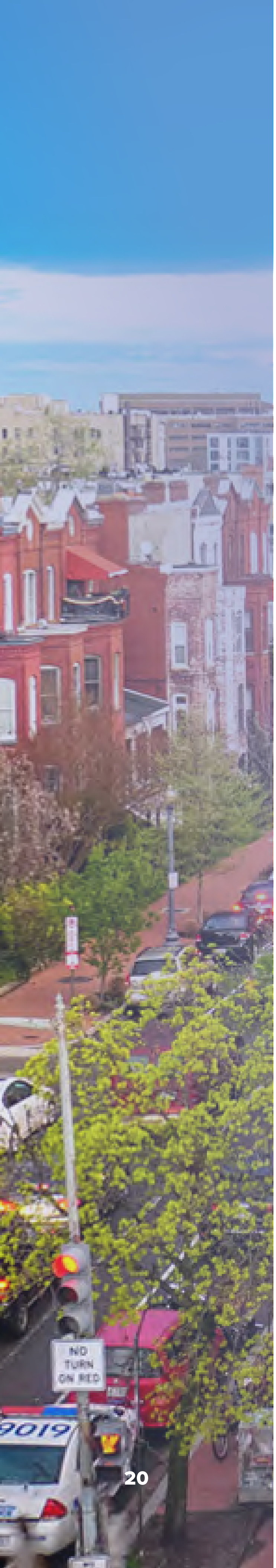
We are so grateful for the opportunity to collaborate with DC PAVE (Parents Amplifying Voices in Education) on a regular basis on behalf of students and families in D.C.

In April, we were honored with DC PAVE's 2023 Partner in Policy award. But in the words of our Education Policy Initiative Director Chelsea Coffin, the "best awards of the evening went to the amazing Parent Leaders who are a force for real change in DC's schools." Thank you, DC PAVE!

Education Policy Initiative Director Chelsea Coffin (left) and Executive Director Yesim Sayin (center, right) at the PAVE Parent Power Gala, where the Policy Center received PAVE's Partners in Policy Award.

"Since its inception six years ago, the D.C. Policy Center has been a reliable resource on important questions of public policy. The District's competitive edge as the region's economic center of gravity is crucial. As we emerge from the pandemic, City policy must reflect a sense of urgency. It is impressive that the Alice M. Rivlin Initiative is going to focus on this area of research."

Phil Mendelson, Chairman, D.C. Council



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Hannah Mason
Senior Education Research Analyst

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Research Advisors

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Policy Center advisors

Melissa Bradley
Sidecar Social Finance

Uwe Brandes
Georgetown University

Tom Dohrmann
McKinsey & Company

Judith Feder
Georgetown University

Richard Florida
University of Toronto

Steven Glazerman
Innovations for Poverty Action

Heidi Hartmann
Institute for Women's Policy Research

Antwan Jones
George Washington

Dan Tangherlini
Emerson Collective

Rivlin Initiative advisors

Kartik Athreya
Federal Reserve Bank of Richmond

Richard C. Auxier
Urban-Brookings Tax Policy Center

Evette Banfield
CNHED

Leah Brooks
GWU Trachtenberg School of Public Policy and Public Analysis

Joe Cortright
Impresa, City Observatory

Tracy Hadden Loh
Brookings Metropolitan Policy Program

Rachel Meltzer
Harvard University Graduate School of Design

Krista Ruffini
Georgetown McCourty School of Public Policy

Education Policy Initiative advisors

Matt Chingos
Urban Institute

Nora Gordon
Georgetown University McCourt School of Public Policy

Arthur McKee
CityBridge Education

Taylor White
New America

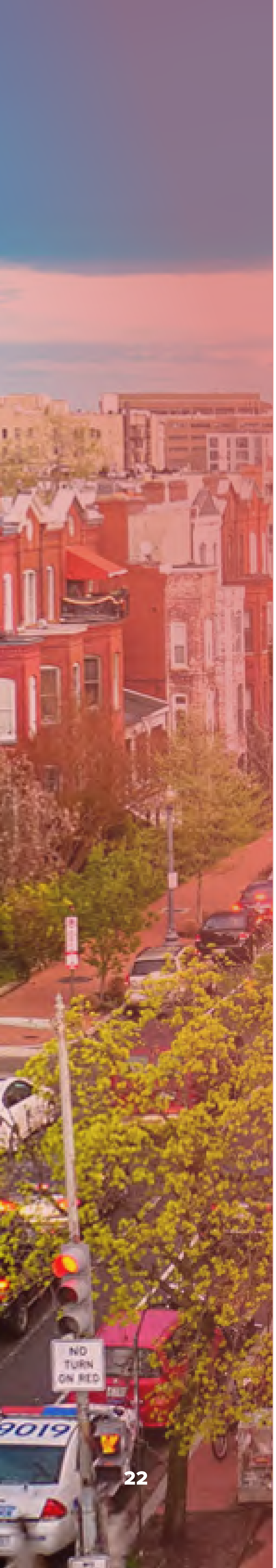
Jon Valant
Brown Center on Education Policy at Brookings

Housing Initiative advisors

Jamie Weinbaum
Horning

Emily Hamilton
Mercatus Center

David Roodberg
The Menkiti Group



Financials

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

ASSETS	2022	2021
CURRENT ASSETS		
Cash	*$829,264*	*$801,043*
Accounts receivable	*$60,000*	*$17,600*
Employee Retention Credit receivable	*$150,986*	--
Unconditional promises to give	*$30,000*	*$220,000*
Total assets	**$1,070,250**	**$1,038,643**

LIABILITIES AND NET ASSETS	2022	2021
CURRENT LIABILITIES		
Accounts payable	*$4,763*	*$12,769*
Current portion of Economic Injury Disaster Loan	*$12,164*	--
Accrued vacation	*$17,980*	*$17,088*
Accrued interest	--	*$5,977*
Total current liabilities	**$34,907**	**$35,834**
LONG-TERM LIABILITIES		
Economic Impact Disaster Loan	*$483,138*	*$500,000*
TOTAL LIABILITIES	***$518,045***	***$535,834***
NET ASSETS		
Without donor restrictions	*$445,955*	*$57,809*
With donor restrictions		
Subsequent years' operations	--	*$75,000*
Education	*$106,250*	*$370,000*
TOTAL NET ASSETS	***$552,205***	***$502,809***
TOTAL LIABILITIES AND NET ASSETS	**$1,070,250**	**$1,038,643**

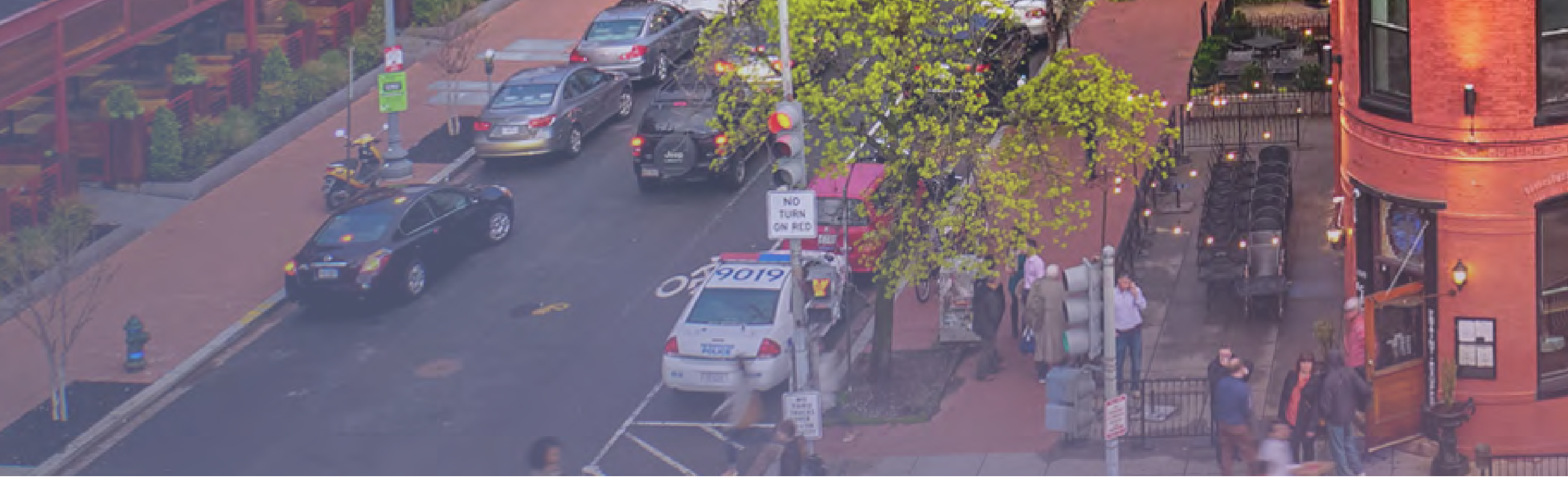
Our fiscal year. The D.C. Policy Center's fiscal year runs January 1 - December 31.

More detailed information. From its founding in 2016, through December 31, 2018, the D.C. Policy Center was a fiscally supported affiliate of the Federal City Council, a 501(c)(3) nonprofit organization. As of January 1, 2019, the Policy Center has operated as an independent 501(c)(3) nonprofit. Our EIN is 82-2380479. For our full audited financial statements and Form 990, please visit our website at dcpolicycenter.org, or contact our offices at (202) 223-2233.

STATEMENT OF ACTIVITIES

Year ended December 31, 2022	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$686,499	$428,500	$1,114,999
Employee Retention Credit	$150,986	--	$150,986
Paid research	$240,206	--	$240,206
Total support and revenue	**$1,077,691**	**$428,500**	**$1,506,191**
EXPENSES			
Research	$776,177	--	$776,177
Management and general	$401,403	--	$401,403
Fundraising	$279,215	--	$279,215
Total expenses	**$1,456,795**	**--**	**$1,456,795**
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	$143,500	($143,500)	--
Satisfaction of purpose restrictions	$623,750	($623,750)	--
Net assets released from restrictions	**$767,250**	**($767,250)**	**--**
Change in net assets	**$388,146**	**($388,750)**	**$49,396**
Net assets at beginning of year	$57,809	$445,000	$502,809
NET ASSETS AT END OF YEAR	**$445,955**	**$106,250**	**$552,205**

Year ended December 31, 2021	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$605,833	$445,000	$1,050,833
Paid research	$176,100	--	$176,100
Total support and revenue	**$781,933**	**$445,000**	**$1,226,933**
EXPENSES			
Research	$730,575	--	$730,575
Management and general	$363,663	--	$363,663
Fundraising	$274,595	--	$274,595
Total expenses	**$1,368,833**	**--**	**$1,368,833**
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	$80,000	($80,000)	--
Satisfaction of purpose restrictions	$50,000	($50,000)	--
Net assets released from restrictions	**$130,000**	**($130,000)**	**--**
Change in net assets	**(456,900)**	**$315,000**	**($141,900)**
Net assets at beginning of year	$514,709	$130,000	$644,709
NET ASSETS AT END OF YEAR	**$57,809**	**$445,000**	**$502,809**



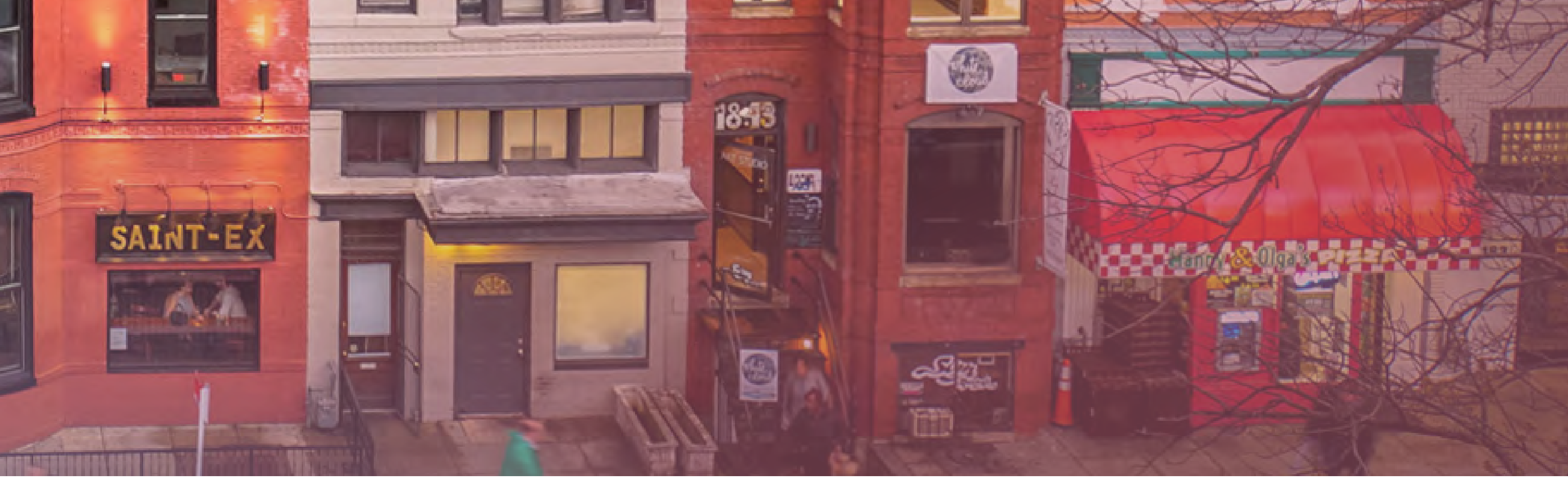
STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	Research	Management & General	Fundraising	Total Expenses
Personnel	$599,677	$301,924	$240,665	**$1,142,266**
Professional fees	$59,768	$33,024	—	**$92,792**
Office expenses	$2,575	$5,405	$1,034	**$9,014**
Conferences and meetings	$30,275	$17,807	—	**$48,082**
Insurance	$1,850	$931	$742	**$3,523**
Occupancy	$50,399	$25,375	$20,226	**$96,000**
Advertising	—	$1,011	—	**$1,011**
Information technology	$23,625	$11,894	$9,481	**$45,000**
Interest	$8,008	$4,032	$3,214	**$15,254**
Travel	—	—	$3,853	**$3,853**
TOTAL EXPENSES	**$776,177**	**$401,403**	**$279,215**	**$1,456,795**

Year ended December 31, 2021

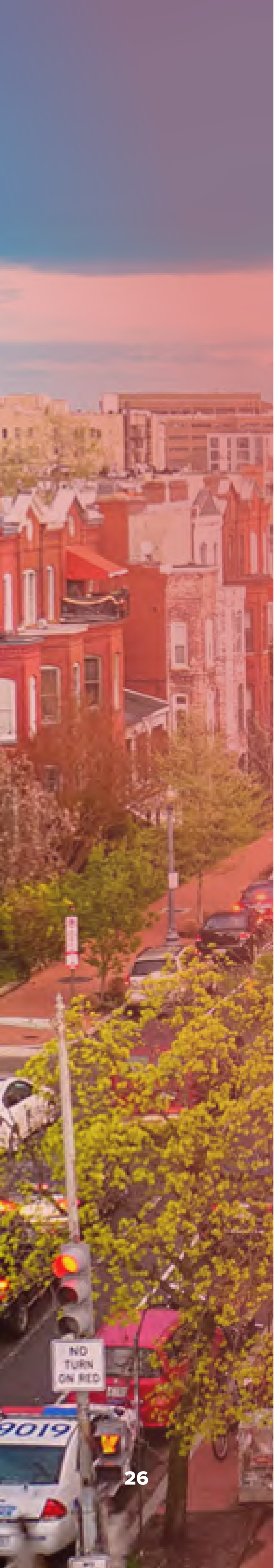
	Research	Management & General	Fundraising	Total Expenses
Personnel	$530,000	$283,675	$227,076	**$1,040,751**
Professional fees	$96,449	$17,125	—	**$113,574**
Office expenses	$1,490	$3,840	$887	**$6,217**
Conferences and meetings	—	$2,308	—	**$2,308**
Insurance	$5,000	$2,676	$2,142	**$9,818**
Occupancy	$42,776	$22,896	$18,328	**$84,000**
Advertising	—	$1,782	—	**$1,782**
Information technology	$44,124	$23,616	$18,904	**$86,644**
Interest	$10,736	$5,745	$4,600	**$21,081**
Travel	—	—	$2,658	**$2,658**
TOTAL EXPENSES	**$730,575**	**$363,633**	**$274,595**	**$1,368,833**



STATEMENTS OF CASH FLOWS

Years ended December 31, 2022 and 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
Change in net assets	$49,396	($141,900)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
(Increase) decrease in assets		
Accounts receivable	($42,400)	$14,000
Employee Retention Credit receivable	($150,986)	--
Unconditional promises to give	$190,000	($120,000)
Increase (decrease) in liabilities		
Accounts payable	($8,006)	$11,615
Accrued vacation	$892	$2,126
Deferred interest	($5,977)	$5,977
Net cash flows from operating activities	**$32,919**	**($228,182)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on Economic Impact Disaster Loan	($4,698)	--
Change in cash	**$28,221**	**($228,182)**
Cash at beginning of year	$801,043	$1,029,225
CASH AT END OF YEAR	**$829,264**	**$801,043**
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$20,935	$21,081



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To make a charitable contribution to the D.C. Policy Center, please visit us at dcpolicycenter.org/donate, or contact our office at (202) 223-2233.

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