

COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



Jennifer Budoff
Budget Director

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

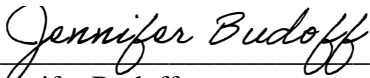
FROM: Jennifer Budoff
Budget Director, Council of the District of Columbia

DATE: May 28, 2019

SUBJECT: Certification of Report and Recommendations of the Committee on
Labor and Workforce Development on the Fiscal Year 2020 Budget and
Financial Plan for Agencies Under Its Purview

This is to certify that the Office of the Budget Director has reviewed the Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2020 Budget and Financial Plan for Agencies Under Its Purview and found it to be balanced and compliant with Council Rule 703(b)(1) and (2).

Additional information on the FY 2020 Budget and Financial Plan can be found at <https://www.dccouncilbudget.com/fiscal-year-2020-budget>.


Jennifer Budoff

COMMITTEE ON LABOR AND WORKFORCE DEVELOPMENT

ELISSA SILVERMAN, CHAIRPERSON
FISCAL YEAR 2020 COMMITTEE BUDGET REPORT



TO: Members of the Council of the District of Columbia

FROM: Councilmember Elissa Silverman
Chairperson, Committee on Labor and Workforce Development

DATE: May 1, 2019

SUBJECT: Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2020 Budget for Agencies Under Its Purview

The Committee on Labor and Workforce Development (“committee”), having conducted hearings and received testimony on the Mayor’s proposed operating and capital budgets for Fiscal Year 2020 (“FY 2020”) for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The committee also comments on several sections in the Fiscal Year 2020 Budget Support Act of 2019, as proposed by the Mayor.

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I. SUMMARY

EXECUTIVE SUMMARY

The Committee on Labor and Workforce Development is charged with overseeing the District's efforts to train and employ District residents, to ensure that workers are treated fairly and paid properly by their employers, and to implement the new Paid Family and Medical Leave program set to begin in 2020. It is also responsible for oversight of DC's human resources agency, and District government's relationship with organized labor.

The committee is strongly committed to achieving racial equity and closing the opportunity gap in our city. The District's economic growth, which has transformed the city in many ways, has not benefitted all residents. Over the last decade, median household income for black DC households has remained stagnant at approximately \$42,000, which is less than a third of white median household income, which is \$134,000. As of March 2019, almost 11,000 more District residents are employed compared to three years earlier, representing the strongest private-sector growth the District has seen for the past two decades. Again, who benefits from this growth is uneven. Despite this prosperity, the unemployment rate in neighborhoods East of the Anacostia River remains stubbornly high; in Ward 8, nearly one out of eight residents is looking for full-time work. Clearly there is much more that the city needs to do to remove barriers to economic opportunity for black residents and people of color who make this city their home.

This is why the Committee on Labor and Workforce Development has been focused on how to best leverage District taxpayer dollars to connect residents to meaningful, long-term, living wage careers, particularly in the city's high-demand industries. For many years, the District has spent taxpayer dollars on training programs that have not led to employment. That is frustrating and dispiriting for residents and a bad use of our public dollars. Instead, the committee has spent the last year examining outcomes of training so that the investment in our residents increases their economic prosperity and security. That is why the committee also urges stronger enforcement of its workplace protections laws: workers should be paid and take home what they have earned, without exception.

The committee began its budget review process with these goals in mind. With such an acute need to connect District residents with quality jobs, the District should only fund workforce programs that have shown results. Too many existing programs have been unable to provide data demonstrating the success—or even positive progress—that this committee and District residents have a right to expect. The hard-working communities in this city deserve better outcomes from their training, workforce, and worker protection programs.

This proposed FY 2020 budget contains the committee's efforts to align spending on workforce development programs with these important goals. In some cases, this means holding lackluster programs accountable for their performance, while in other cases it means building on the success of programs that have demonstrated their value to District

residents. In every case, a program's demonstrated past performance—or lack thereof—has been the baseline from which the committee determined what funding allocation was warranted or necessary.

The Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2020 Budget makes the following investments:

Increases Opportunities for District Residents to Obtain Employment and Supports Learners Across the Educational Spectrum

- Funds the **Pathways to District Government Careers Amendment Act** to establish a District government apprenticeship program, provide first consideration for entry-level District government jobs to graduates of District high schools, and establishes a partnership between the DC Department of Human Resources and District secondary schools.
- Restores funding for and expands the **Career Pathways Innovation Fund**, a successful adult education-workforce training program operated in partnership of the Workforce Investment Council and Office of the State Superintendent of Education.
- Increases **work opportunity for in-school youth** by directing two-thirds of local funds to serve this population.
- Sets new standards for **high-wage training at the DC Infrastructure Academy**, requires **performance-based payments** (based in part on participants obtaining credentials and/or employment), and **incentivizes employment retention** by providers by allowing bonus payments.
- Provides **exposure to apprenticeship programs and related fields** for youth in the Summer Youth Employment Program.
- Amends law to allow **opportunity youth** not working or in school to participate in the Summer Youth Employment Program for up to 12 weeks, double the standard program time.
- Funds a new **work-based learning coordinator** position in DC Public Schools for Career and Technical education programs in District high schools.
- Increases **safety of public school children** by funding the School Safety Act, which requires schools to prevent and address sexual abuse and student-on-student harassment.

Enhances and Protects Working People's Wages and Rights

- Funds the **Wage Garnishment Fairness Amendment Act** to ensure that low-income workers' wages are protected when they do not earn above a minimum level.
- Establishes a **Wage and Hour Education Grants Program** to provide funds to community-based organizations to help workers understand their rights under District employment laws and provides enhanced funding.
- Enhances **public and worker education efforts** under the Tipped Wage Workers Fairness Amendment Act, via workplace posters, new informational websites, and a public education campaign.

Promotes Transparency and Performance Evaluation

- Incentivizes **attention to and reporting of performance outcomes** in several locally-funded workforce development programs by converting recurring funds to one-time funds.
- Sets minimum **standards for grants issued by DOES**, including timelines, advertising and transparency requirements.
- Requires that the **annual evaluation of the summer youth employment program** examine program attrition and the success of soft skills training models

A. FISCAL YEAR 2020 AGENCY OPERATING BUDGET SUMMARY

<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
<i>DC Department of Human Resources (BE0)</i>					
Local	\$10,648,222	\$8,866,470	\$11,118,672	\$494,683	\$11,613,355
Special Purpose Revenue	\$392,916	\$561,039	\$448,232	\$0	\$448,232
Intra-District	\$9,107,678	\$7,100,372	\$7,782,429	\$0	\$7,782,429
Gross Funds	\$20,148,816	\$16,527,882	\$19,349,333	\$494,683	\$19,844,016

<i>Department of Employment Services (CF0)</i>					
Local	\$62,304,307	\$69,422,682	\$59,688,695	\$35,745	\$59,724,440
Special Purpose Revenue	\$32,758,287	\$39,561,459	\$53,098,596	(\$90,696)	\$53,007,900
Federal Grants	\$25,593,637	\$29,876,193	\$33,253,151	\$0	\$33,253,151
Private Grant	\$2,709,097	\$786,786	\$690,472	\$0	\$690,472
Intra-District	\$3,006,437	\$4,013,959	\$3,116,686	\$0	\$3,116,686
Gross Funds	\$126,371,765	\$143,661,080	\$149,847,600	(\$54,951)	\$149,792,649

<i>Employees' Compensation Fund (BG0)</i>					
Local	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842
Gross Funds	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842

<i>Office of Employee Appeals (CH0)</i>					
Local	\$2,098,885	\$2,178,202	\$2,235,527	\$0	\$2,235,527
Gross Funds	\$2,098,885	\$2,178,202	\$2,235,527	\$0	\$2,235,527

<i>Office of Labor Relations and Collective Bargaining (Part of AE0, Office of City Administrator)</i>					
Local	\$1,430,618	\$2,242,483	\$2,243,467	\$0	\$2,243,467
Special Purpose Revenue	\$242,213	\$0	\$0	\$0	\$0
Intra-District	\$334,352	\$0	\$0	\$0	\$0
Gross Funds	\$2,007,184	\$2,242,483	\$2,243,467	\$0	\$2,243,467

<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
<i>Public Employee Relations Board (CG0)</i>					
Local	\$1,235,061	\$1,508,605	\$1,525,505	(\$204,017)	\$1,321,488
Gross Funds	\$1,235,061	\$1,508,605	\$1,525,505	(\$204,017)	\$1,321,488

<i>Unemployment Compensation Fund (BH0)</i>					
Local	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390
Gross Funds	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390

<i>Unemployment Insurance Trust Fund (UI0)</i>					
Enterprise and Other Funds	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095
Gross Funds	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095

<i>Workforce Investments (UP0)</i>					
Local	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306
Gross Funds	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306

<i>Workforce Investment Council (part of GW0 Deputy Mayor for Education in FY 2020; part of EM0 Deputy Mayor for Greater Economic Opportunity in FY17-19)</i>					
Local	\$1,034,504	\$4,190,894	\$1,500,430	\$1,650,000	\$3,150,430
Intra-District	\$1,990,051	\$916,343	\$0	\$0	\$0
Gross Funds	\$3,024,555	\$5,107,236	\$1,500,430	\$1,650,000	\$3,150,430

B. FISCAL YEAR 2020 AGENCY FULL-TIME EQUIVALENT

<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
<i>DC Department of Human Resources (BE0)</i>					
Local	120	88	104	3.5	107.5
Special Purpose Revenue	5	6	5	0	5
Intra-District	84	59	62	0	62
Total	209	153	171	3.5	174.5

<i>Department of Employment Services (CF0)</i>					
Local	217	299	227	1	228
Special Purpose Revenue	178	208	309	0	309
Federal Grants	212	218	211	0	211
Private Grant	3	6	6	0	6
Intra-District	21	27	18	0	18
Total	630	758	771	1	772

<i>Employees' Compensation Fund (BG0)</i>					
Local	47	52	52	0	52
Total	47	52	52	0	52

<i>Office of Employee Appeals (CH0)</i>					
Local	15	15	15	0	15
Total	15	15	15	0	15

<i>Office of Labor Relations and Collective Bargaining (Part of AE0, Office of City Administrator)</i>					
Local	16	17	17	0	17
Special Purpose Revenue	1	0	0	0	0
Intra-District	1	0	0	0	0
Total	18	17	17	0	17

<i>Public Employee Relations Board (CG0)</i>					
Local	10	10	10	(1)	9
Total	10	10	10	(1)	9

<i>Unemployment Compensation Fund (BH0)</i>					
Local	0	0	0	0	0
Total	0	0	0	0	0

<i>Unemployment Insurance Trust Fund (UI0)</i>					
Enterprise and Other Funds	0	0	0	0	0
Total	0	0	0	0	0

<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Workforce Investments (UP0)					
Local	0	0	0	0	0
Total	0	0	0	0	0

Workforce Investment Council (part of GW0 Deputy Mayor for Education in FY20; part of EM0 Deputy Mayor for Greater Economic Opportunity in FY17-19)					
Local	3	5	9	0	9
Intra-District	4	5	0	0	0
Total	7	10	9	0	9

C. FY 2020 - 2025 AGENCY CAPITAL BUDGET SUMMARY

<i>Project No.</i>	<i>Project Title</i>	<i>Scenario</i>	<i>Fund</i>	<i>Unspent Allotment</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>6-year total</i>	
Department of Employment Services												
PFL08C	Paid Family Leave IT Application	Mayor's Submission	304	\$22,832,700	\$21,041,000	\$0	\$0	\$0	\$0	\$0	\$21,041,000	
			314	\$16,793,187	\$0	\$0	\$0	\$0	\$0	\$0		
		Subtotal			\$39,625,887	\$21,041,000	\$0	\$0	\$0	\$0	\$0	\$21,041,000
		Committee Markup	304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Subtotal			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Project Total				\$39,625,887	\$21,041,000	\$0	\$0	\$0	\$0	\$0
SNTRCC	DC Infrastructure Academy	Mayor's Submission	300	\$2,750,000	\$4,750,000	\$0	\$0	\$0	\$0	\$0	\$4,750,000	
			301	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
		Subtotal			\$2,750,000	\$4,750,000	\$0	\$0	\$0	\$0	\$0	\$4,750,000
		Committee Markup	300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			301	\$0	\$0	\$4,300,000	\$4,300,000	\$4,300,000	\$0	\$0	\$12,900,000	
		Subtotal			\$0	\$0	\$4,300,000	\$4,300,000	\$4,300,000	\$0	\$0	\$12,900,000
		Project Total				\$2,750,000	\$4,750,000	\$4,300,000	\$4,300,000	\$4,300,000	\$0	\$0
UIM02C	UI Modernization Project-Federal	Mayor's Submission	300	\$4,095,856	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
			304	\$5,328,070	\$16,762,296	\$7,450,000	\$0	\$0	\$0	\$0	\$24,212,296	
			350	\$6,639,899	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
		Subtotal			\$16,063,825	\$16,762,296	\$7,450,000	\$0	\$0	\$0	\$0	\$24,212,296
		Committee Markup	300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Project Total				\$16,063,825	\$16,762,296	\$7,450,000	\$0	\$0	\$0	\$0	\$24,212,296	
Department of Employment Services				\$58,439,712	\$42,553,296	\$11,750,000	\$4,300,000	\$4,300,000	\$0	\$0	\$62,903,296	

D. TRANSFERS IN FROM OTHER COMMITTEES

<i>Sending Committee</i>	<i>Amount</i>	<i>FTEs</i>	<i>Receiving agency</i>	<i>Amount</i>	<i>FTEs</i>	<i>Program</i>	<i>Purpose</i>	<i>Recurring or One-Time</i>
Facilities and Procurement	\$500,000 (operating)	0	Workforce Investment Council (Program 3000 of GW0)	\$500,000 (operating)	0	3012 Workforce Investment	For Career Pathways Innovation Fund	Recurring
Education	\$1,000,000 (operating)	0	DOES (CF0)	\$1,000,000 (operating)	0	4250 Local Adult	In exchange for recurring funds	One-time
Total	\$1,500,000	0		\$1,500,000			\$1,500,000 Operating total	

E. TRANSFERS OUT TO OTHER COMMITTEES

<i>Receiving Committee</i>	<i>Amount</i>	<i>FTEs</i>	<i>Receiving agency</i>	<i>Amount</i>	<i>Program</i>	<i>Purpose</i>	<i>Recurring or One-Time</i>
Committee on Education	\$1,000,000 (operating)	0	DCPS (GA0) and DCPCS (GC0)	\$1,000,000	TBD	To contribute to funding of School Safety Act of 2018, and in exchange for one-time funds from the Education Committee	Recurring
Committee on Education	\$88,185 (operating)	1	DCPS	\$88,185	TBD	Work-based learning coordinator position	Recurring
Committee on Education	\$88,185 (operating)	1	DCPCS	\$88,185	TBD	Proportionate amount as funds provided to DCPS.	Recurring
Committee of the Whole	\$12,900,000 (capital pay-go)		PA0 Pay-As-You-Go Capital Fund	\$12,900,000	1100	\$4.3 million in each FY 2021, 2022, and 2023, converted from operating funds, to be placed in those years in the DOES DC Infrastructure Academy Project	Capital
Total	\$14,076,370			\$14,076,370			

F. REVENUE ADJUSTMENT

<i>Agency</i>	<i>Fund Type</i>	<i>Amount</i>	<i>Use</i>	<i>BSA subtitle</i>
PERB	Local Funds, Program 2000, Activity 2002	(\$140,000)	Funds to be used to fill a revenue reduction caused by L22-296: Wage Garnishment Fairness Amendment Act of 2018	Subject to appropriations provision repealed in Budget Support Act recommendations of Committee on the Judiciary and Public Safety

G. FUNDING OF BUDGET SUPPORT ACT SUBTITLES

<i>Subtitle</i>	<i>Agency</i>	<i>Program</i>	<i>Amount</i>	<i>FTEs</i>
Title VI, Subtitle F, Student, Youth, and Learner Transit Subsidy Programs	DOES (CF0)	4820 (SYEP)	\$17,070	0
East End and Opportunity Youth Careers Amendment Act of 2019	DOES (CF0)	4820 (SYEP)	\$11,000	0
DC Central Kitchen Grant Extension Amendment Act of 2019	WIC (GW0 Program 3000)	3012	\$500,000 (funded with FY 2019 unspent funds)	0

H. FUNDING OF PENDING BILLS OR LAWS PASSED SUBJECT TO APPROPRIATION

<i>Bill or Law #</i>	<i>Status</i>	<i>Agency</i>	<i>Program</i>	<i>Amount</i>	<i>FTEs</i>
L22-211: Pathways to District Government Careers Amendment Act of 2018	Passed subject to appropriations	DCHR	2710, Recruiting and Staffing	<i>Total:</i> \$494,683 <i>Recurring:</i> \$403,987 <i>One-time:</i> \$90,696	3.5
		DOES	4300, Office of Apprenticeship Information and Training	<i>Recurring:</i> \$102,020	1
L22-296: Wage Garnishment Fairness Amendment Act of 2018	Passed subject to appropriations	Revenue reduction to the District	n/a	\$140,000	n/a

I. SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

DC DEPARTMENT OF HUMAN RESOURCES (BE0)

Operating Budget Recommendations

1. Fund the Pathways to District Government Careers Amendment Act of 2018 (L22-211). Enhance Program 3000 (Learning and Development), Activity 3100 (Training and Development).
 - *Increase PS budget by \$373,299 in total local, recurring funds to add 3.5 FTEs and create 3 new positions as follows:*
 - Program Manager (1 FTE): create a new position, Grade 14, in Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 11 (Regular Pay – Continuing Full Time) by \$103,700.90 and CSG 14 (Fringe Benefits – Current Personnel) by \$27,566.07: total PS increase = \$131,267*
 - HR specialist (0.5 FTE): fund half a position, Grade 12, Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 11 (Regular Pay – Continuing Full Time) by \$39,313.56 and CSG 14 (Fringe Benefits – Current Personnel) by \$10,450.44: total PS increase = \$49,764*
 - Case manager (1 FTE): create a new position, Grade 12, in Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 11 (Regular Pay – Continuing Full Time) by \$75,945.86 and CSG 14 (Fringe Benefits – Current Personnel) by \$20,188.14: total PS increase = \$96,134*
 - School liaison (1 FTE): create a new position, Grade 12, in Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 11 (Regular Pay – Continuing Full Time) by \$75,945.86 and CSG 14 (Fringe Benefits – Current Personnel) by \$20,188.14: total PS increase = \$96,134*
 - *Increase NPS budget by \$30,688 in local, recurring funds and \$90,696 in local, one-time funds as follows:*
 - Related instruction training: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 41 (Contracts) by \$30,688 in recurring funds.*
 - Consultant to provide life skills and mentorship training curriculum: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 40 (Other Services and Charges) by \$61,696 in one-time funds.*
 - IT upgrade for prioritizing hiring of DC graduates: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 40 (Other Services and Charges) by \$25,000 in one-time funds.*
 - IT upgrade for prioritizing hiring of DC graduates: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 40 (Other Services and Charges) by \$25,000 in one-time funds.*
 - IT upgrade for prioritizing hiring of DC graduates: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase CSG 70 (Equipment) by \$4,000 in one-time funds.*

Policy Recommendations

1. Increase efforts to hire District residents into District government jobs:
 - a. Implement the Pathways to District Government Careers Act.
 - b. Increase the target for hiring residents.
2. Enforce residency requirements and improve auditing, verification, and reporting to Council
3. Ensure the LEAP program assists participants to find permanent employment
4. Clarify suitability policy related to marijuana use and testing, and communicate updated policy to all employees
 - a. Complete review of marijuana policy, and develop a policy that is fair, clear, and consistent with District law
 - b. Establish one location online with all relevant suitability information and ensure agency orientations provide all relevant policy information
 - c. Conduct education campaign on new policy
5. Reduce hiring time/ time to fill
6. Implement deferred compensation auto-enrollment law and improve 457(b) savings plan participation
7. Continue training and policy development related to sexual harassment
8. Continue to educate agencies on personnel rules, including term hiring
9. Complete the effort to uncover tax withholding errors and make necessary fixes

DEPARTMENT OF EMPLOYMENT SERVICES (CF0)

Operating Budget Recommendations

1. Replace portions of recurring workforce development programmatic funding with one-time money
 - Decrease funding: Program 4000 (State Initiatives), Activity 4250 (Local Adult Training): *decrease* CSG 50 (Subsidies and Transfers) by \$1,000,000 in recurring funds.
 - Decrease funding: Program 4000 (Workforce Development), Activity 4260 (Infrastructure Academy): *decrease* CSG 50 (Subsidies and Transfers) by \$500,000 in recurring funds.
 - Decrease funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *decrease* CSG 40 (Other Services and Charges) by \$300,000 in recurring funds.
 - Decrease funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *decrease* CSG 50 (Subsidies and Transfers) by \$3,000,000 in recurring funds.
 - Decrease funding: Program 5000 (State Initiatives), Activity 5200 (DC Career Connections): *decrease* CSG 50 (Subsidies and Transfers) by \$1,000,000 in recurring funds.

- Increase funding: Program 4000 (Workforce Development), Activity 4250 (Local Adult Training): *increase* CSG 50 (Subsidies and Transfers) by \$1,000,000 in one-time funds.
 - Increase funding: Program 4000 (Workforce Development), Activity 4260 (Infrastructure Academy): *increase* CSG 50 (Subsidies and Transfers) by \$500,000 in one-time funds.
 - Increase funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *increase* CSG 40 (Other Services and Charges) by \$300,000 in one-time funds.
 - Increase funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *increase* CSG 50 (Subsidies and Transfers) by \$3,000,000 in one-time funds.
 - Increase funding: Program 5000 (State Initiatives), Activity 5200 (DC Career Connections): *increase* CSG 50 (Subsidies and Transfers) by \$1,000,000 in one-time funds.
2. Fund and implement the Pathways to District Government Careers Amendment Act of 2018 (L22-211)
 - Program Manager (1 FTE): create a new position, Grade 12 in Program 4000 (Workforce Development), Activity 4300 (Office of Apprenticeship Info. and Training): *increase* CSG 11 (Regular Pay – Continuing Full Time) by \$83,579 and CSG 14 (Fringe Benefits – Current Personnel) by \$18,441 in recurring funds. *Total PS increase = \$102,020*
 3. Increase funding for labor law education and outreach and reduce “other services” in Office of Wage-Hour Compliance.
 - Increase funding: Program 3000 (Labor Standards), Activity 3200 (Office of Wage Hour): *increase* CSG 50 (Subsidies and Transfers) by \$70,000 in recurring funds.
 - Reduce funding: Program 3000 (Labor Standards), Activity 3200 (Office of Wage Hour): *decrease* CSG 40 (Other Services and Charges) by \$70,000 in recurring funds.
 4. Reduce Special Purpose Revenue Fund 624 from expected reserves.
 - Reduce funding: Program 2000 (Unemployment Insurance), Activity 2100 (Tax Collection): *decrease* CSG 40 (Other Services and Charges) by \$90,696 in PSR (one-time) funds.
 5. Align Statewide Activities’ contracts budget with past spending
 - Reduce funding: Program 4000 (Workforce Development), Activity 4900 (State-Wide Activities): *decrease* CSG 41 (Contractual Services – Other) by \$94,343 in recurring funds.

Capital Budget Recommendations

1. Increase DC Infrastructure Academy project PAYGO by \$4.3 million in each FY 2021, 2022, and 2023
2. Provide a detailed analysis or spending plan for the \$21 million increase in capital funding in FY 2020 for the Paid Family Leave IT application
3. Swiftly complete the agency's capital project to modernize UI information technology systems and submit UI modernization project plans to the Committee.

Policy Recommendations

Paid Leave

1. Release the Request for Proposal (RFP) for the upcoming benefits system as soon as possible to ensure a timely delivery of the system.
 - a. The RFP for the tax collection IT system was released too close to the July 1 deadline.
 - b. Development of the benefits IT system will likely need to be longer given it is more complicated than tax collection.
 - c. DOES should use all resources available to ensure that the final RFP is both submitted timely and technologically sufficient for the system's needs.
2. Release draft regulations as soon as possible for the upcoming benefits system to ensure sufficient input and timely delivery of system.
3. Improve communications strategy around paid family leave implementation to ensure that businesses are prepared for upcoming July 1 tax collection.
 - a. Develop a strategic plan for communicating with employers, and work with employers, payroll providers, and business associations to ensure that materials include critical guidance about the law and its implementation.
 - b. Consider looking to other District agencies for ideas about mass communications.
4. Provide a detailed analysis or spending plan for the \$61 million allocated for the paid family leave IT system.
5. Utilize user testing to ensure that the tax and benefits systems meet the needs of intended users.
6. Hire all of the staff needed to run the paid leave program.
7. Ensure that DOES has the budget authority to pay for claims that will be filed in Fiscal Years 2020 and 2021

Workforce Development

1. At the DC Infrastructure Academy:
 - a. Train more individuals for high-wage careers.
 - b. Ensure that trainees obtain employment and are placed in jobs in the fields in which they were trained. Work with partner entities to hire more graduates.
 - c. Spend private money first.
 - d. Provide the Council and the public with a strategy regarding long-term plans for the DCIA building.
2. Improve the Year-Round Youth program by providing more year-round occupational skills training and job opportunities for in-school youth.
3. Increase First Source transparency and compliance
 - b. Continue to improve tracking of projects
 - c. Review calculation of penalties.
 - d. Finish required regulations and report to Council.
4. Utilize the integrated education and training model.
5. Increase opportunities in the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) for youth most in need and utilize funds more efficiently.
 - a. Extend the program by six weeks for opportunity youth.
 - b. Place more participants with host employers from registered apprenticeship programs.
 - c. Raise wages for 14-and-15-year-olds.
 - d. Evaluate the effectiveness of soft skills training provided and the causes of attrition
 - e. Streamline certification and eligibility processes.
 - f. Ensure that prices charged by District agencies to host and/or place participants are fair.
6. Implement the Pathways to District Government Careers Act.
7. Ensure the LEAP program assists participants to find permanent employment.
8. Provide complete and accurate data in Project Empowerment, and enroll some prospective participants in federally funded programs
9. Be transparent about the formula and process to distribute WIOA funds to the Workforce Investment Council (WIC).
10. Work with the One-Stop Operator and the WIC to enable them to conduct their work at the AJCs, as required by WIOA
11. Improve customer service.
12. Continue to expand registered apprenticeship in non-construction fields and improve tracking of data
13. Implement recommendations from the independent evaluation of the DC Career Connections program.
14. Improve transparency of grantmaking and contracting.
 - a. Solicit grants and contracts in a transparent manner.
 - b. Share the results of grantee monitoring with the Council.
 - c. DOES should develop and widely disseminate a grant and contract schedule

- d. Work with the Office of Contracting and Procurement to ensure that the District is paying fair market prices for training

Labor Standards

1. Improve the wage-hour complaint process.
 - a. Remove notarization requirements.
 - b. Gather complaint specifics in intake interviews rather than on the written complaint form.
 - c. Proactively communicate with complainants.
 - d. Revise and streamline the wage-hour complaint form.
2. Conduct workplace-wide investigations and penalize employers that violate foundational provisions of our worker protection laws.
3. Outreach regarding wage and hour laws must better address the rights of District workers.
4. Newly required tipped worker protections should be implemented efficiently.
5. DOES should work with the Office of Administrative Hearings (OAH) to ensure that administrative hearing decisions are posted online for most cases.

Unemployment Insurance

1. Prioritize staff training in order to avoid errors that harm workers.
2. Process OAH claim reversals within three business days and transmit documents electronically.

EMPLOYEES' COMPENSATION FUND (BG0)

Operating Budget Recommendations

1. The committee recommends approval of the mayor's proposed FY 2020 budget, but also recommends the agency review spending to realize savings due to the end of the third-party vendor contract in the public sector workers' compensation program.

OFFICE OF EMPLOYEE APPEALS (CH0)

Operating Budget Recommendations

The committee recommends approval of the mayor's proposed FY 2020 budget.

Policy Recommendations

1. Proactively follow up on orders issued against an agency to determine agency compliance
2. Increase timeliness of decisions issued

OFFICE OF LABOR RELATIONS AND COLLECTIVE BARGAINING (PART OF AE0, OFFICE OF CITY ADMINISTRATOR)

Operating Budget Recommendations

The committee recommends approval of the Mayor's proposed FY 2020 budget.

Policy Recommendations

1. Renegotiate collective bargaining agreements before they expire.

PUBLIC EMPLOYEE RELATIONS BOARD (CG0)

Operating Budget Recommendations

1. Remove vacant position and associated fringe benefits for Attorney Advisor. *Decrease PS budget by \$154,017 in total local, recurring funds to remove 1 FTE as follows:*
 - Attorney Advisor (1 FTE): remove position 00009546, Grade 13, in Program 2000 (Adjudication), Activity 2002 (Court Appeals): *decrease* CSG 11 (Regular Pay – Continuing Full Time) by \$128,241.30 and CSG 14 (Fringe Benefits – Current Personnel) by \$25,776.50: *total PS decrease = \$154,017.80*
2. Reduce CSG 40 – Other Services and Charges. *Decrease NPS budget by \$50,000 in local, recurring funds as follows:*
 - Reduce Program 2000 (Adjudication), Activity 2001 (Legal Support): *decrease* CSG 40 (Other Services and Charges) by \$50,000.

Policy Recommendations

1. Implement a more targeted system for advertising training programs to agencies
2. Ensure timeliness of decisions issued

UNEMPLOYMENT COMPENSATION FUND (BH0)

Operating Budget Recommendations

1. Reduce overbudgeting in the UC Fund
 - Reduce local budget in Program 1000 (Unemployment Compensation Fund), Activity 1100 (Unemployment Compensation Fund): *decrease* CSG 50 (Subsidies and Transfers) by \$1,200,000 in recurring funds.

UNEMPLOYMENT INSURANCE TRUST FUND (UI0)

Operating Budget Recommendations

The committee recommends approval of the mayor's proposed FY 2020 budget.

WORKFORCE INVESTMENTS (UP0)

Operating Budget Recommendations

1. Reduce budget by \$506,007 to fund the Pathways to District Government Careers Amendment Act of 2018 (after swapping with recurring funds reduced elsewhere in the budget).
 - Reduce Program 1000 (Workforce Investments), Activity 1100 (Workforce Investments): *decrease* CSG 11 (Regular Pay) by \$506,007 in one-time funds.

WORKFORCE INVESTMENT COUNCIL (PROGRAM 3000 OF GW0, DEPUTY MAYOR FOR EDUCATION)

Operating Budget Recommendations

1. Fund and expand the Career Pathways Innovation Fund
 - *Increase* Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment): increase CSG 50 (Subsidies) by \$1,650,000 in recurring funds.
2. Transfer all funds to a new program code.
 - *Decrease* Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council) by \$1,500,430
 - *Decrease* PS budget by \$1,017,397 in local, recurring funds as follows:
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 11 (Regular Pay – Continuing Full Time) by \$665,898 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 12 (Regular Pay – Other) by \$177,715 in recurring funds.

- Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 14 (Fringe Benefits – Current Personnel) by \$173,784 in recurring funds.
- *Decrease* NPS budget by \$483,033 in local, recurring funds as follows:
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 20 (Supplies and Materials) by \$10,500 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 40 (Other Services and Charges) by \$165,000 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 41 (Contractual Services – Other) by \$297,533 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 70 (Equipment and Equipment Rental) by \$10,000 in recurring funds.
- *Increase* Program 3000, Activity 3012 by \$1,500,430
 - *Increase* PS budget by \$1,017,397 in local, recurring funds as follows:
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *decrease* CSG 11 (Regular Pay – Continuing Full Time) by \$665,898 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *decrease* CSG 12 (Regular Pay – Other) by \$177,715 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *decrease* CSG 14 (Fringe Benefits – Current Personnel) by \$173,784 in recurring funds.
 - *Increase* NPS budget by \$483,033 in local, recurring funds as follows:
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 20 (Supplies and Materials) by \$10,500 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 40 (Other Services and Charges) by \$165,000 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 41 (Contractual Services – Other) by \$297,533 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 70 (Equipment and Equipment Rental) by \$10,000 in recurring funds.

Policy Recommendations

1. Take the lead on creating and operationalizing career pathways, including for specific projects such as the St. Elizabeths hospital
2. Release Transparency Act on time; ensure it is complete
3. Engage with Deputy Mayor for Education to delineate roles and responsibilities of WIC and DOES within the legal parameters of WIOA, and to foster coordination, cooperation, and information-sharing.
4. Coordinate agencies to create an aligned workforce system, and participate in grantmaking and provider selection as required by local and federal law
5. Continue to do grantmaking and improve the grantmaking process
6. Include meaningful community input in the next iteration of the District's WIOA state plan
7. Provide accountability and oversight to the workforce system
 - a. Staff should provide WIC board with detailed performance, funding, and federal oversight information
 - b. Board should review performance information to improve or cut providers and direct programming
8. Improve American Job Centers
 - a. Conduct active oversight of the One-Stop Operator
 - b. Work with DOES to ensure OSO can meet the terms of its contract
 - c. Develop AJC evaluation criteria as required under WIOA
9. Continue expansion of the ETPL, target priority occupational certifications and apprenticeships, coordinate with DOES so that local programs also utilize ETPs
10. Continue to actively involve board in grantmaking, contracting, and oversight of WIC funded programs
11. Support WIC subcommittees and create goals and workplans
12. Review Career Pathways Community of Practice to determine whether to continue it before expending more funds, or whether to restructure it

INTER-COMMITTEE TRANSFERS

Operating - Transfers In

- From the Committee on Facilities and Procurement
 - \$500,000 in recurring funds for Workforce Investment Council (Program 3000 of Deputy Mayor for Education) to fund grants under the Career Pathways Innovation Fund
- From the Committee on Education
 - \$1,000,000 in one-time funds for the School Safety Act, and in exchange for \$1,000,000 in recurring funds for the DOES Local Adult program

Operating - Transfers Out

- To the Committee on Education, \$1,000,000 in recurring-time funds to DCPS for the School Safety Act of 2018, and in exchange for \$1,000,000 in one-time funds.
- To the Committee on Education, \$176,370 in recurring funds: \$88,185 in recurring funds to the District of Columbia Public Schools for a work-based learning coordinator, and \$88,185 in recurring funds to the DC Public Charter Schools in proportionate funds.
- To the Committee of the Whole, \$12,900,000 (\$4.3 million each in FY 2021, 2022, and 2023), to PA0 (Pay-As-You-Go Capital Fund), Activity 1100, to be placed in those years in the DC Infrastructure Project as pay-go funds.

II. AGENCY FISCAL YEAR 2020 BUDGET RECOMMENDATIONS

A. INTRODUCTION

The Committee on Labor and Workforce Development is responsible for oversight of public and private sector employee and employer issues. This includes District employee personnel, disciplinary, appeal, and union matters; public sector workers' compensation; private sector labor standards including the minimum wage, paid sick and safe time, paid family and medical leave; private sector workers' compensation; unemployment insurance; and job training and workforce development programs.

The District agencies, boards, and commissions that come under the committee's purview are as follows:

- Adult Career Pathways Taskforce
- Apprenticeship Council
- Department of Employment Services
- Department of Human Resources
- Employees' Compensation Fund
- Labor/Management Partnership Council
- Occupational Safety and Health Board
- Office of Employee Appeals
- Office of Labor Relations and Collective Bargaining
- Public Employees Relations Board
- Unemployment Compensation Fund
- Workforce Investment Council
- Youth Apprenticeship Advisory Committee

The committee is chaired by Councilmember Elissa Silverman (At-Large). The other members of the committee are Councilmembers Charles Allen (Ward 6), David Grosso (At-Large), Kenyan McDuffie (Ward 5), and Robert White (At-Large).

The committee held performance and budget oversight hearings on the following dates:

<i>Performance Oversight Hearings</i>	
February 14, 2019	Office of Employee Appeals Public Employee Relations Board
February 21, 2019	Department of Human Resources Office of Labor Relations and Collective Bargaining
February 27, 2019	Department of Employment Services (Public Witnesses) Workforce Investment Council (Public Witnesses)
March 1, 2019	Department of Employment Services (Government Witnesses) Workforce Investment Council (Government Witnesses)

<i>Budget Oversight Hearings</i>	
April 5, 2019	Office of Employee Appeals Public Employee Relations Board
April 10, 2019	Department of Human Resources Office of Labor Relations and Collective Bargaining
April 22, 2019	Department of Employment Services (Public Witnesses) Workforce Investment Council (Public Witnesses)
April 24, 2019	Department of Employment Services (Government Witnesses) Workforce Investment Council (Government Witnesses)

The committee received important comments from members of the public and government witnesses during these hearings. Copies of witness lists and witness testimony from the four budget hearings are included in this report as Attachments B, C and D. Copies of witness lists and witness testimony from the four performance oversight hearings may be found on the Legislative Information Management System at <http://lims.dccouncil.us/>. A video recording of all hearings can be obtained through the DC Council video archive at <http://dccouncil.us/video-archive/>.

B. DC DEPARTMENT OF HUMAN RESOURCES (BE0)

1. AGENCY MISSION AND OVERVIEW

The mission of the D.C. Department of Human Resources (“DCHR”) is to strengthen individual and organizational performance and enable the District government to attract, develop, and retain a highly qualified, diverse workforce.

DCHR offers executive management to District government officials and/or agencies by providing personnel-related services to help each agency meet daily mission mandates. Specific services provided include position classification and recruitment services, the interpretation of personnel-related policy, as well as oversight control (such as the adherence to regulatory requirements) for effective recruitment and staffing, strategic and financial restructuring through realignment assistance, and resource management. In addition, the agency provides District government employees with a variety of services, including employee benefits and compensation guidance, performance management, compliance, audit assessments, legal guidance on personnel matters, and learning and development.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local Fund	\$10,648,222	\$8,866,470	\$11,118,672	\$494,683	\$11,613,355
Special Purpose Funds (O'type)	\$392,916	\$561,039	\$448,232	\$0	\$448,232
Operating Intra-District Funds	\$9,107,678	\$7,100,372	\$7,782,429	\$0	\$7,782,429
Gross Funds	\$20,148,816	\$16,527,882	\$19,349,333	\$494,683	\$19,844,016

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	120	88	104	3.5	107.5
Operating Intra-District Funds	5	6	5	0	5
Special Purpose Funds (O'type)	84	59	62	0	62
Total	209	153	171	3.5	174.5

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)

<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
1000	Agency Management	\$4,314,627	\$4,525,778	\$4,530,344	\$0	\$4,530,344
2100	General Counsel	\$776,868	\$797,284	\$940,906	\$0	\$940,906
2200	Benefits and Retirement Services	\$3,424,999	\$2,619,545	\$2,843,865	\$0	\$2,843,865
2600	Compensation and Classification	\$0	\$0		\$0	
2700	HR Solutions	\$3,759,818	\$3,058,321	\$5,229,875	\$0	\$5,229,875
3000	Learning and Development	\$4,472,390	\$2,604,537	\$2,386,883	\$494,683	\$2,881,566
4300	Strategic Human Capital	\$611,676	\$584,044	\$523,239	\$0	\$523,239
4500	Policy and Compliance	\$2,788,437	\$2,338,374	\$2,894,221	\$0	\$2,894,221
	Total	\$20,148,816	\$16,527,882	\$19,349,333	\$0	\$19,844,016

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)

<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
11	Regular Pay - Continuing Full Time	\$9,243,594	\$9,900,927	\$10,956,244	\$294,906	\$11,251,150
12	Regular Pay - Other	\$4,427,563	\$1,450,877	\$2,170,189	\$0	\$2,170,189
13	Additional Gross Pay	\$162,186	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$2,390,810	\$2,325,200	\$2,789,304	\$78,393	\$2,867,697
15	Overtime Pay	\$35,292	\$0	\$0	\$0	\$0
20	Supplies and Materials	\$65,179	\$132,135	\$148,120	\$0	\$148,120
31	Telephone, Telegraph, Telegram, Etc	\$129,992	\$0	\$0	\$0	\$0
40	Other Services and Charges	\$842,731	\$803,115	\$1,227,102	\$86,696	\$1,313,798
41	Contractual Services - Other	\$2,838,859	\$1,901,092	\$2,039,874	\$30,688	\$2,070,562
70	Equipment & Equipment Rental	\$12,611	\$14,536	\$18,500	\$4,000	\$22,500
	Total	\$20,148,816	\$16,527,882	\$19,349,333	\$494,683	\$19,844,016

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for DCHR is \$19,349,333, an increase of \$2,821,451, or 17.1 percent, over the FY 2019 approved budget of \$16,527,882. (The FY 2020 proposal is a 12.7 percent reduction from the FY 2019 revised budget of \$22,174,392.) This budget would support 170.8 FTEs, an increase of 18 FTEs over the current fiscal year of 152.8 FTEs.

Local Funds: The Mayor's proposed local funds budget is \$11,118,672, a 25.4 percent increase over the approved budget for the current fiscal year of \$8,866,470. (The FY 2020 proposal is an increase of \$152,556, or 1.4 percent increase, over the FY 2019 revised local budget of \$10,966,116.) The proposed budget would support 104.0 FTEs, an increase of 16.0 FTEs over the current fiscal year's 88.0 approved FTEs.

Intra-District Funds: The Mayor's proposed intra-district funds budget is \$7,782,429, an increase of \$682,057, or 9.6 percent, over the current fiscal year's approved budget of \$7,100,372. (The FY 2020 proposal is a decrease of \$2,864,808, or 26.9 percent from the FY 2019 revised budget of \$10,647,237.) The proposed budget would support 62.0 FTEs, an increase of 3.0 FTEs from the current fiscal year.

Special Purpose Revenue (SPR): The Mayor's proposed SPR budget is \$448,232, a decrease of \$112,807, or 25.2 percent, from the current fiscal year's approved budget of \$561,039. (The SPR budget has not been revised in FY 2019.) The proposed budget would support 4.8 FTEs, a decrease of 1.0 FTEs from the current fiscal year.

Committee Analysis and Recommendations

a. Budget Recommendations

1. Fund and implement the Pathways to District Government Careers Amendment Act of 2018 (L22-211)

The Council passed legislation in 2018 to provide several ways for District residents to obtain employment in District government. This bill, the Pathways to District Government Careers Act (L22-211 or "Pathways Act"), has a particular focus on ensuring that residents who also completed their secondary (high school or equivalent) education in the District have special consideration. The has three main provisions, which are detailed below.¹

First, the Executive will create apprenticeship programs in five occupations within District government in the first two years. DCHR and the Department of Employment Services ("DOES") are each assigned responsibility for implementing this initiative, and

¹ See the related committee report for detailed discussion of the law's components: Committee on Labor and Workforce Development, "Report on 'Pathways to District Government Careers Act of 2018'," September 25, 2018, available at <http://iims.dccouncil.us/Download/40027/B22-0777-CommitteeReport1.pdf>.

each will identify a staffperson dedicated to the initiative. The first step is for the two agencies to develop a plan for the creation and administration of the initiative by the end of March 2020 (6 months after the applicability date of Oct. 1, 2019). By December 1, 2020, the agencies will submit a three-year plan for creating additional apprenticeship programs.

Second, the Pathways Act requires DCHR to create partnerships with District secondary schools, including public high schools and public charter schools. Educational institutions focused on adult education, including adult public charter schools and not-for-profit organizations, will be part of the partnership network, as well. These partnerships will help create a pipeline to government jobs by providing the information and tools that our high school students and adult learners need to prepare for future careers in District government. The specific contours of the partnerships are not required by statute, but the law authorizes several activities that these partnerships could entail, such as dedicating personnel to recruit high school graduates, providing for internships, or mentoring by government employees. The committee expects that early in FY 2020, DCHR will onboard the funded staffpersons dedicated to this project, begin to establish the partnerships, and inform the committee of the schools and activities that will encompass the first partnerships.

Third, the law will require hiring agencies to give priority consideration for entry-level jobs to graduates of District high schools (and other secondary schools). The legislation requires hiring agencies to fully consider applications for entry-level positions from District residents who went to high school here, before agencies can consider other applicants. The committee expects that early in FY 2020, DCHR will implement the necessary upgrades to PeopleSoft to capture information about applicants' secondary school, develop policy and regulations, and provide notification and guidance to agencies about their obligations under this provision of the law. Furthermore, the committee expects that DCHR will regularly review agencies' compliance with these requirements.

The updated Fiscal Impact Statement outlining the associated costs follows:

**Cost of Bill 22-777, Pathways to District Government Careers Act of 2018,
FY 2020 - FY 2023**

	FY 2020	FY 2021	FY 2022	FY 2023	Four-Year Total
DOES					
DOES program manager (1 FTE, Grade 12)	\$102,020	\$103,805	\$105,622	\$107,470	\$418,917
DCHR					
DCHR program manager (1 FTE, Grade 14)	\$131,267	\$133,564	\$135,901	\$138,280	\$539,012
HR specialist (0.5 FTE, Grade 12)	\$0	\$24,454	\$49,764	\$50,635	\$124,853
Related instruction training	\$0	\$0	\$30,688	\$31,424	\$62,112
Consultant to provide life skills and mentorship training curriculum	\$0	\$61,696	\$0	\$0	\$61,696
Case manager (1 FTE, Grade 12)	\$96,134	\$97,816	\$99,528	\$101,270	\$394,748
School liaison (1 FTE, Grade 12)	\$96,134	\$97,816	\$99,528	\$101,270	\$394,748
IT upgrade for prioritizing hiring of DC grads	\$25,000	\$0	\$0	\$0	\$25,000
Technology expenses for new employees (computer, phone, etc)	\$4,000	\$0	\$0	\$0	\$4,000
TOTAL	\$454,555	\$519,152	\$521,031	\$530,348	\$2,025,086

The committee recommends fully funding the entirety of the Pathways Act, including funds not needed until later fiscal years, by providing \$403,987 in recurring funds and \$90,696 in one-time funds to DCHR. (See the recommendation on funding for DOES in Part II.C.2.) The committee notes that its FY 2020 budget recommendations include over \$80,000 in recurring funds and nearly \$62,000 in one-time funds that will not be necessary for expenses related to the Pathways Act until FY 2021 or FY 2022 (for the HR specialist, related instruction training, and consultant to develop life skills curriculum). Thus, the committee recommends that DCHR utilize this funding during FY 2020 in ways that align with the purposes of the Act, such as to bolster or expand DCHR's high school internship program that began in FY 2019 in partnership with the Office of the State Superintendent of Education.

DCHR will have three new positions to implement the law: a program manager at Grade 14, a case manager at Grade 12, and a school liaison at Grade 12. The committee recommends that DCHR take all action possible in FY 2019 in order to begin implementation and have new employees start on or very soon after October 1, 2019, including creating new position numbers, preparing job descriptions, recruiting, conducting interviews, and any other personnel hiring steps possible before money is

released at the start of FY 2020. The postings would indicate that the start date will be on or after October 1, 2019.²

b. Policy Recommendations

1. Increase efforts to hire District residents into District government jobs

A high priority of the committee is to provide more opportunity for District residents to serve the city by working for District government. This has been a focus of the committee's work, and the committee recognizes DCHR's efforts in this regard, including holding hiring fairs and offering training and assistance to District residents to navigate the hiring process. However, more needs to be done. The committee makes the following specific recommendations for FY 2020.

a. Implement the Pathways to District Government Careers Act

In 2018, the committee Chair introduced, and the Council passed, L22-211, the Pathways to District Government Careers Act. The committee has identified full funding for this legislation in the FY 2020 budget; see budget recommendation in this chapter for discussion of the funding and implementation.

b. Increase the target for hiring residents

In FY 2017 and FY 2018, DCHR set a goal that 60 percent of new hires into District government would be District residents. The agency's FY 2018 performance accountability report noted that DCHR would "redouble" efforts to meet this goal.³ However, in FY 2019, DCHR lowered its hiring goal to 55 percent.⁴ This was discussed at DCHR's 2019 performance oversight hearing. While the director expressed concern about setting too high of a goal, the committee strongly believes that 60 percent is not only an attainable goal, but a starting point. DCHR should raise the target to at least 60 percent and work with agencies on a variety of efforts to meet this goal. The committee hopes that implementation of the Pathways Act will help reach and surpass the goal.

2. Enforce residency requirements and improve auditing, verification, and reporting to Council

DCHR is responsible for enforcing residency requirements for government employees, which may result from preference points received during the application process or a requirement specific to certain employment services. In the past, DCHR's auditing has not uncovered violations, which is likely due to problems with the auditing

² However, if the agency has available funds, the agency is allowed to bring someone on prior to October 1.

³ D.C. Department of Human Resources, "FY2018 Performance Accountability Report," p. 3, available at https://oca.dc.gov/sites/default/files/dc/sites/oca/publication/attachments/DCHR_FY18PAR.pdf.

⁴ D.C. Department of Human Resources, FY 2019 Plan, p.1, available at <https://oca.dc.gov/sites/default/files/dc/sites/oca/publication/attachments/DCHR19.pdf>.

process. For example, in FY 2018, the auditing uncovered zero violations, but one employee was found to be in violation after a report was filed with the agency by another employee.

The Council passed the District Government Employees Residency Amendment Act of 2018⁵, originally introduced by the Mayor, to improve the residency verification process. While B22-212 requires actions by “the Mayor,” the committee understands that DCHR will be the implementing agency for all components. Because the legislation has no fiscal impact, DCHR may begin implementation immediately.

A key element is that DCHR will obtain access to electronic records held by the Department of Motor Vehicles (DMV). This integration is already under way, and DCHR plans to establish the DMV interface by June 2019, according to performance responses.⁶ DCHR will utilize DMV records, along with tax withholding forms to which it already has access, to do a basic check of the residency of all employees subject to a residency requirement. Further, B22-212 requires DCHR to conduct additional audits on at least an annual basis (more frequent audits are allowed) for at least 20 percent of employees with residency requirements in subordinate agencies and of at least three randomly selected independent agencies. DCHR may use a variety of tools for the supplemental audits. The committee looks forward to updates from DCHR about its work and findings as it conducts its audits.

The law also streamlines the D.C. Code’s provisions regarding residency requirements, clarifies existing language and establishes a process for determining when residency requirements may be waived due to hardship circumstances. The committee expects that DCHR will develop policy guidance and a process for waiver requests, including criteria for approval or disapproval.

B22-212 also streamlined the reporting requirements on employees’ residency. Starting December 1, 2019, DCHR is required to submit an annual report to the Council with information for each agency on new employees’ jurisdiction of residency, the percent of new hires who are District residents, any hardship waivers in place, and information on any actions taken against employees who violated residency requirements. In order to report to the Council on independent agencies, all independent agencies, boards, commissions, instrumentalities, and other entities, are required to submit a report to DCHR by November 1 of each year. DCHR will then compile those reports into a single report to the Council.

The committee recommends that DCHR reach out to all independent agencies and other entities early to ensure they are aware of the reporting requirement and to establish

⁵ Bill number B22-212 and the projected law date is June 13, 2019.

⁶ DC Department of Human Resources, “Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” Submitted to Committee on Labor and Workforce Development, Feb. 8, 2019, Attachment 47, available on p. 29 in <http://dccouncil.us/wp-content/uploads/2019/02/DCHR-Performance-responses-2019-02-08-19.pdf>.

the format by which information will be reported. DCHR should ensure that its December report to the Council is complete and submitted by the deadline.

3. Ensure the LEAP program assists participants to find permanent employment

One of the Executive's marquee workforce development programs is LEAP—Learn, Earn Advance, Prosper. It provides on-the-job training at District government agencies to District residents, many of whom will exhaust their Temporary Assistance for Needy Families or TANF benefits. The program aims to reduce TANF dependence, put individuals on a pathway to living-wage careers, and help District agencies fill positions with District residents. The Executive has also expanded the program to non-TANF recipients. The program is a shared effort of DOES and DCHR. DCHR's roles include identifying potential jobs for LEAP participants, providing mentorship to the program trainees, and helping LEAPers find permanent employment once they finish the program.

Several LEAP participants have shared concerns with the committee regarding the content of the program as well as the difficulty they have in finding permanent employment as their training comes to an end. Specifically, one cohort had a delay in the start of its instructor-led certification training course.

At the agency's budget hearing, the director explained that participating agencies are expected to have a permanent position available at the end of a LEAP trainee's term, but sometimes budgets or program missions change. Sometimes the individual is not a good fit. In planning future LEAP cohorts, the committee recommends that the Executive continue to set the expectation that host agencies will have a permanent position available for each participant.

DCHR tries to work with the individual, including mentoring, term extensions, transfers, and other means. As of the hearing, DCHR plans to host a "reverse hiring fair" for participants to learn about agencies' permanent opportunities. The director also testified that the instructor-led training would begin the following week. Finally, the director explained that problems that arise with program quality are the purview of DOES and the host agency, not DCHR.

The committee shares the Executive's goal of having a program that creates a pipeline for District residents to move into permanent employment. In conversations that the committee has had with LEAP participants, it is clear that these individuals want to be able to not only succeed but use the program as a launching pad to sustaining long-term employment. Nevertheless, the committee remains concerned that the programs goals do not match its outcomes. For example, two individuals testified at the DOES public witness hearing; one was let go after her program ended without permanent employment. She reached out to DCHR staff but believed that they did not assist her to find permanent employment. The second witness participated in the LEAP Program at the Department of Public Works; that program did not have an instructor provided for the occupational skills component until the program was 4 months away from completion.

The committee would like to see LEAP succeed and encourages DCHR to continue to do what it can to help individuals succeed in the program and to find permanent employment, particularly given the high cost of the program (approximately \$40,000 per participant).

4. Clarify suitability policy related to marijuana use and testing, and communicate updated policy to all employees

It has come to the committee’s attention that there is a great deal of confusion about the personnel policy related to use of and testing for marijuana, both medical and recreational. The committee has learned of one employee who was terminated for legal use of medical marijuana. DCHR is currently reviewing its policies related to marijuana use, including a review of policies of other jurisdictions, best practices, input from medical officers, and other research. The committee strongly encourages this review and looks forward to its outcome. The committee emphasizes the need for clear, consistent communication about the contours of the policy, who it applies to, and what the potential outcomes are in different scenarios.

a. Complete review of marijuana policy, and develop a policy that is fair, clear, and consistent with District law

The current DCHR policy is not entirely clear. Contained within the larger “suitability” policy set for all government workers, the marijuana testing policy indicates that employees categorized as safety-sensitive, protection-sensitive, and security-sensitive are subject to “enhanced suitability,” which includes drug testing.⁷ However, the testing policy does *not* explicitly state whether there are blanket prohibitions on those jobholders’ use of medical or recreational marijuana, or if it is permitted and when. The policy also does not specify what happens if current employees test positive. Meaning, it is unclear if they will be provided another job, or if they risk losing their current job altogether. This is particularly important for users of medical marijuana.

There are many aspects of the testing and use policy to review. A complicating factor is that testing for marijuana may indicate the presence of the drug in the system for many weeks after use—thus an employee may test positive even if he or she was not impaired on the job. Given this, the committee recommends that DCHR review whether random testing is appropriate, as it will “catch” individuals’ use that did not lead to impairment on the job. As there is policy allowing testing based on reasonable suspicion,⁸

⁷ DCHR Issuance 4-34, “Marijuana and the District’s Drug & Alcohol Testing,” effective July 28, 2016, available at https://dchr.dc.gov/sites/default/files/dc/sites/dchr/publication/attachments/edpm_4_34_drug_and_alcohol_testing_0.pdf and DCHR Issuance No. 2019-04, “Positions Subject to Enhanced Suitability Screening,” effective Jan. 24, 2019, available at <https://dchr.sp.dc.gov/policy/PCA/EDPM/Issuances/Positions%20Subject%20to%20Enhanced%20Suitability%20Screening%20-%20Addendum.pdf>

⁸ DCHR, District Personnel Instruction No. 4-39, “Reasonable Suspicion Referral Drug & Alcohol Testing,” effective Oct. 6, 2017, available at

DCHR should review if testing based on reasonable suspicion alone would suffice to prohibit impairment on the job.

Additionally, many employees are tested pre-employment, when impairment “on the job” is not possible. If the reason to test for marijuana use is to uncover impairment on the job, then it is not clear why a test for marijuana pre-employment is necessary. This can put up an artificial barrier to employment. The committee encourages DCHR to include in its policy review whether conducting pre-employment tests for marijuana is appropriate.

Another complicating factor is that Medical Review Officers to whom results are forwarded for review follow federal guidelines. Those guidelines are based in part on U.S. Department of Transportation regulations that prohibit the use of marijuana even for medical purposes. However, a prohibition on use of medical marijuana may not be necessary or appropriate for many District employees. The committee further urges DCHR to review whether following federal standards is always necessary and to determine when District-specific standards may be applied.

In sum, the committee encourages DCHR to develop a policy that accords with the District’s current law—which allows the use of both medical and recreational marijuana— including reviewing the utility of random tests and pre-employment tests, as well as the application of federal standards. While the committee does not believe that marijuana use should be permitted in all circumstances or for all employees, the policy must be fair, clear, and consistent with the law, and it should not prohibit an otherwise legal activity unless there are legitimate reasons to prohibit it. Additionally, the committee recommends that DCHR actively engage with labor representatives and affected employees in the development of the policy.

b. Establish one location online with all relevant suitability information and ensure agency orientations provide all relevant policy information

Some government agencies have different or more specific policies than other agencies. According to the director’s performance oversight hearing testimony, while DCHR sets broad policy, agencies may set more specific policies, such as whether an employee in a safety-sensitive classified job may use medical marijuana. For example, employees at one agency reported in the press that agency management communicated a “no tolerance policy,” although that does not appear to comport to written, city-wide policy.⁹ This means that similarly categorized employees at different agencies may be subject to different policies, which could lead to confusion.

https://dchr.dc.gov/sites/default/files/dc/sites/dchr/publication/attachments/edpm_4_39_reasonable_suspicion_referral_drug_and_alcohol_testing.pdf.

⁹ Rachel Kurzius, “These City Workers Were Told They’d Lose Their Jobs If They Used Medical Marijuana,” *DCist*, Feb. 19, 2017, available at <https://dcist.com/story/19/02/27/these-city-workers-were-told-theyd-lose-their-jobs-if-they-used-medical-marijuana/>.

Another problem is that some employees are apparently unaware of the details of the agency-specific policy. This puts up a barrier to learning the relevant policy and could lead to confusion if the employees don't understand whether or how their agency's policy differs from the government-wide policy. However, the District's Personnel Manual requires that employees be given copies of any agency-specific policies related to drugs and alcohol.¹⁰ DCHR should actively verify with any agency that sets its own policies that their orientation includes distribution of copies of the policy. Given seeming confusion about agency-specific policies, DCHR should also require and verify that agencies also redistribute the policy annually and upon any change.

DCHR should work with agencies to ensure that all orientations provide clear information in writing about the policy applicable at that agency, whether that is the general policy or an agency-specific policy. DCHR should also establish one website with all related information about policies and coverage, which employees could search for their specific position and/or their agency. DCHR should share the site with all employees upon hire and whenever there are updates.

c. Conduct education campaign on new policy

DCHR plans to conduct an education campaign after it updates the suitability policy related to marijuana use. The committee strongly encourages this. The campaign should communicate in multiple ways, such as online and in writing. Development of the campaign should reflect feedback and input from labor representatives and affected workers to ensure the messages are clear and communicate information that employees need and seek.

5. Reduce hiring time/ time to fill

A common concern heard by the committee from agencies, labor unions, and applicants is the length of time it takes to hire new staff. Currently, it takes 74 days on average to fill a position.¹¹ DCHR's FY 2019 performance plan has a goal of lowering that to 64 days.¹² DCHR testified at its performance oversight hearing that it plans to lower that goal even further, to 40 days. It also testified about its efforts to reduce the time, including by forecasting staffing plans, creating templates for descriptions, creating a toolkit for hiring managers, and noting this is a high priority for the mayor. The committee supports these efforts. Further, the committee hopes that by reducing time-to-fill, agencies will rely less heavily on non-competitive hiring, which has been reported by unions and employees as rampant and partly as an effort to avoid the lengthy competitive process.

¹⁰ District Personnel Manual, Chapter 4 Suitability, Section 426.1, available at <https://dchr.sp.dc.gov/policy/PCA/EDPM/Issuances/Suitability.pdf>. The provision follows: "Each appointee or employee in a covered position shall be provided a copy of the District's drug and alcohol policy, and any additional requirements imposed by his or her respective agency. The policy shall state at a minimum the following: (a) The circumstances under which an appointee or employee will be tested; (b) The basic methodology to be used for testing; and (c) The consequences of a positive test result."

¹¹ D.C. Department of Human Resources, FY 2019 Plan, p. 2.

¹² D.C. Department of Human Resources, FY 2019 Plan, p. 2.

6. *Implement deferred compensation auto-enrollment law and improve 457(b) savings plan participation*

The Council passed legislation in 2018 to provide for automatic enrollment of newly hired District government employees into the 457(b) deferred compensation program, a retirement savings plan. The committee and Council supported this legislation in order to improve the ability of District employees to save adequately for retirement by removing barriers to entry related to setting up accounts and savings plan. Currently, only 38 percent of District government employees participate in the 457(b) plan.¹³ The law, L22-102, the Deferred Compensation Program Enrollment Act of 2018, was funded in the FY 2019 budget. DCHR has taken action to prepare for implementation, including developing regulations, Frequently Asked Questions, and other materials. As of its budget hearing, it planned to launch the program shortly, pending review by the mayor's office. The committee supports these efforts and hopes that participation increases greatly, even more than DCHR's target of 40 percent.

7. *Continue training and policy development related to sexual harassment*

In light of national news in 2018, DCHR undertook an effort to provide sexual harassment training to government employees. This work was driven by a Mayor's order issued in December 2017, updating the sexual harassment policy for District government employees.¹⁴ DCHR's work continued in FY 2019. DCHR has made a great deal of progress, but there is still work to do. DCHR's FY 2020 budget proposal includes a new Lead Sexual Harassment Officer, who will start soon after the start of the 2020 fiscal year. The committee expects that this person will take strong action to complete the following items already underway, as well as to establish government-wide tracking systems of all complaints, how they are handled, and any resulting discipline, settlements, or other outcomes.

According to performance responses, as of January 2019, 29,709 employees have received training as have 3,194 managers. This is sizable, but some employees have still not completed training. The committee recommends that DCHR continue to follow up with agencies to ensure that all employees receive training. Second, DCHR has developed a reporting and investigations policy, available to view in their performance responses.¹⁵ Third, DCHR has developed a list of sexual harassment officers (SHOs); however, the list is incomplete, with some independent agencies not listed (including PERB and the Chief

¹³ D.C. Department of Human Resources, FY 2019 Plan, p. 1.

¹⁴ Mayor's Order 2017-313, "Sexual Harassment Policy, Guidance and Procedures," December 18, 2017, available at <https://dcregs.dc.gov/Common/NoticeDetail.aspx?noticeId=N0066835>.

¹⁵ DC Department of Human Resources, "Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Submitted to Committee on Labor and Workforce Development, Feb. 8, 2019, Attachment 47, available on p. 194 of <http://dccouncil.us/wp-content/uploads/2019/02/Combined-DCHR-PO-attachments-ALL-updated-02-15-19.pdf>.

Financial Officer).¹⁶ The committee understands that independent agencies are not required to have SHOs and some do not; in that case, the list should provide this information and potentially a link to other information or contacts that employees could access. Finally, DCHR developed a web-based training, although after review, it determined that in-person trainings would be more effective. Leading these trainings will be a responsibility of the new lead sexual harassment officer. Complaints of sexual harassment by government employees can be directed to an agency's sexual harassment officer or to the Office of Human Rights via the complaint form available online.¹⁷

8. Continue to educate agencies on personnel rules, including term hiring

The committee commends DCHR for taking steps to educate agencies about personnel rules related to the hiring of term and temp employees. The committee hears frequently from District government employees and labor representatives concerned about agencies' compliance with hiring and other personnel rules, specifically frequent hiring of term employees instead of permanent employees in order to hire outside the normal, merit-based and competitive process. There does appear to be progress. Data provided by DCHR during performance oversight indicates that term hiring fell from 19 percent of new hires in FY 2017 to 13 percent of new hires in FY 2018.¹⁸

A second issue is that under the regulations outlined in the District Personnel Manual, term appointments may not last longer than 4 years. Yet reports to the committee as well as performance information from across government show that many term employees have start dates before 4 years ago. Sometimes this is legitimate, but DCHR should review why these employees are term to determine if they should be converted to permanent.

The committee understands that DCHR is addressing this issue in quarterly meetings with human resources professionals throughout the government. The committee will continue to review data on term and temp hiring, and it recommends that DCHR continue do the same. DCHR should also continue its education and also conduct hiring audits to determine if agencies are adhering to term and temp hiring policies.

9. Complete the effort to uncover tax withholding errors and make necessary fixes

In 2017, DCHR discovered a longstanding error in paychecks. Specifically, there were errors in the deduction and payment of Social Security, and in a few cases, Medicare,

¹⁶ See "Sexual Harassment Officer and Office List," available at https://dchr.dc.gov/sites/default/files/dc/sites/dchr/page_content/attachments/SHO%20List_rev%20011819.pdf

¹⁷ See Office of Human Rights, "File a Discrimination Complaint," available at <https://ohr.dc.gov/service/file-discrimination-complaint>.

¹⁸ DC Department of Human Resources, "DCHR Responses to the FY17-18 Performance Oversight Questions from the Committee on Labor and Workforce Development," February 9, 2018, attachment 40, p. 188, available at <http://dccouncil.us/wp-content/uploads/2019/02/Combined-DCHR-PO-attachments-ALL-updated-02-15-19.pdf>. The Committee ran total percentages per year.

taxes from the paychecks of hundreds of current and former DC employees. DCHR created a team to review what happened and hired KPMG, an accounting firm, to investigate this issue and prevent this from happening in the future. In its budget oversight hearing, the agency reported that it anticipates the KPMG review to be finalized by the end of the 2019 fiscal year.¹⁹ Further, DCHR has drafted a retirement coding standard operating procedure and shared it with stakeholders for feedback. This was followed by training, piloted internally and to be implemented in the larger HR community. The agency also created videos for employees to explain details on a paycheck. The committee appreciates DCHR's willingness to keep it informed about the status of this issue, requests that DCHR provide the committee with regular updates on progress made, share the final estimated cost to the District government to correct the error, and complete the effort in this fiscal year.

3. FY 2020-2025 CAPITAL BUDGET

DCHR has no capital budget for FY 2020-2025.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. Fund the Pathways to District Government Careers Amendment Act of 2018 (L22-211). Enhance Program 3000 (Learning and Development), Activity 3100 (Training and Development).

- *Increase* PS budget by \$373,299 in total local, recurring funds to add 3.5 FTEs and create 3 new positions as follows:
 - Program Manager (1 FTE): create a new position, Grade 14, in Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 11 (Regular Pay – Continuing Full Time) by \$103,700.90 and CSG 14 (Fringe Benefits – Current Personnel) by \$27,566.07: *total PS increase = \$131,267*
 - HR specialist (0.5 FTE): fund half a position, Grade 12, Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 11 (Regular Pay – Continuing Full Time) by \$39,313.56 and CSG 14 (Fringe Benefits – Current Personnel) by \$10,450.44: *total PS increase = \$49,764*
 - Case manager (1 FTE): create a new position, Grade 12, in Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 11 (Regular Pay – Continuing Full Time) by \$75,945.86 and CSG 14 (Fringe Benefits – Current Personnel) by \$20,188.14: *total PS increase = \$96,134*
 - School liaison (1 FTE): create a new position, Grade 12, in Program 3000 (Learning and Development), Activity 3100 (Training and Development):

¹⁹ DC Department of Human Resources, "Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Submitted to Committee on Labor and Workforce Development, Feb. 8, 2019, p. 27, available at <http://dccouncil.us/wp-content/uploads/2019/02/DCHR-Performance-responses-2019-02-08-19.pdf>.

increase CSG 11 (Regular Pay – Continuing Full Time) by \$75,945.86 and CSG 14 (Fringe Benefits – Current Personnel) by \$20,188.14: *total PS increase = \$96,134*

- *Increase* NPS budget by \$30,688 in local, recurring funds and \$90,696 in local, one-time funds as follows:
 - Related instruction training: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 41 (Contracts) by \$30,688 in recurring funds.
 - Consultant to provide life skills and mentorship training curriculum: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 40 (Other Services and Charges) by \$61,696 in one-time funds.
 - IT upgrade for prioritizing hiring of DC graduates: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 40 (Other Services and Charges) by \$25,000 in one-time funds.
 - IT upgrade for prioritizing hiring of DC graduates: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 40 (Other Services and Charges) by \$25,000 in one-time funds.
 - IT upgrade for prioritizing hiring of DC graduates: fund Program 3000 (Learning and Development), Activity 3100 (Training and Development): *increase* CSG 70 (Equipment) by \$4,000 in one-time funds.

b. Policy Recommendations

1. Increase efforts to hire District residents into District government jobs
 - a. Implement the Pathways to District Government Careers Act.
 - b. Increase the target for hiring residents.
2. Enforce residency requirements and improve auditing, verification, and reporting to Council
3. Ensure the LEAP program assists participants to find permanent employment
4. Clarify suitability policy related to marijuana use and testing, and communicate updated policy to all employees
 - a. Complete review of marijuana policy, and develop a policy that is fair, clear, and consistent with District law
 - b. Establish one location online with all relevant suitability information and ensure agency orientations provide all relevant policy information
 - c. Conduct education campaign on new policy
5. Reduce hiring time/ time to fill
6. Implement deferred compensation auto-enrollment law and improve 457(b) savings plan participation
7. Continue training and policy development related to sexual harassment
8. Continue to educate agencies on personnel rules, including term hiring
9. Complete the effort to uncover tax withholding errors and make necessary fixes

C. DEPARTMENT OF EMPLOYMENT SERVICES (CF0)

1. AGENCY MISSION AND OVERVIEW

The Department of Employment Services (“DOES”) fosters and promotes the welfare of job seekers and wage earners by improving their working conditions, advancing opportunities for employment, helping employers find workers, and tracking changes in employment and other national economic measurements impacting the District of Columbia.

DOES provides tools for the District of Columbia workforce to become more competitive using tailored approaches to ensure that workers and employers are successfully paired. DOES also fosters and promotes the welfare of job seekers and wage earners by ensuring safe working conditions, advancing opportunities for employment, helping employers find qualified workers, and tracking labor market information and other national economic measurements impacting the District of Columbia.

The agency implements these objectives through 7 divisions: 1) Agency Management, which provides for administrative support and the required tools to achieve operational programmatic results; 2) Unemployment Insurance, which provides basic income replacement insurance to workers unemployed through no fault of their own; 3) Labor Standards, which provides worker protection and dispute resolution services for the workers and employers of the District so that disputes are resolved fairly and the safety of the workplace is ensured; 4) Workforce Development, which provides employment-related services for unemployed or underemployed persons so that they can achieve economic security and compete in the global economy; 5) State Initiatives, which includes three locally funded signature programs that provide employment services such as training, work experiences, and supportive services to underserved adults who face multiple barriers to employment; 6) Paid Family Leave, which will implement the Universal Paid Leave Act to provide wage replacement benefits to individuals in need of leave from work due to medical or caregiving needs of one’s family or self; and 7) Agency Financial Operations, which provides accounting and budget services to, and on behalf of, District agencies.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$62,304,307	\$69,422,682	\$59,688,695	\$35,745	\$59,724,440
Special Purpose Revenue	\$32,758,287	\$39,561,459	\$53,098,596	(\$90,696)	\$53,007,900
Federal Grants	\$25,593,637	\$29,876,193	\$33,253,151	\$0	\$33,253,151
Private Grant	\$2,709,097	\$786,786	\$690,472	\$0	\$690,472
Intra-District	\$3,006,437	\$4,013,959	\$3,116,686	\$0	\$3,116,686
Gross Funds	\$126,371,765	\$143,661,080	\$149,847,600	(\$54,951)	\$149,792,649

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type

<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	216.5	299.0	227.5	1	228.5
Special Purpose Revenue	178.1	207.7	309.0	0	309.0
Federal Grants	212.0	217.9	210.8	0	210.8
Private Grant	2.9	6.0	6.0	0	6.0
Intra-District	20.6	27.0	18.0	0	18.0
Total	630.1	757.6	771.4	1	772.4

Fiscal Year 2020 Operating Budget, By Activity (Gross Funds)

<i>Program</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
1000 Agency Management	\$9,353,591	\$10,212,291	\$10,158,012	\$0	\$10,158,012
2000 Unemployment Insurance	\$23,712,605	\$27,369,280	\$27,997,463	(\$90,696)	\$27,906,767
3000 Labor Standards	\$18,014,181	\$23,092,897	\$25,514,125	\$0	\$25,514,125
4000 Workforce Development	\$55,188,775	\$57,736,683	\$57,587,232	\$35,745	\$57,622,977
5000 State Initiatives	\$17,172,455	\$16,786,313	\$15,417,451	\$0	\$15,417,451
6000 Paid Family Leave	\$0	\$5,042,496	\$9,441,643	\$0	\$9,441,643
100F Agency Financial Operations	\$2,858,292	\$3,421,121	\$3,731,673	\$0	\$3,731,673
9960 Year End Close	\$71,865	\$0	\$0	\$0	\$0
Total	\$126,371,765	\$143,661,080	\$149,847,600	(\$54,951)	\$149,792,649

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
Comp Source Group		FY 2018 Actual	FY 2019 Approved	FY 2020 Proposed	Sum of Committee Variance	Committee Approved
11	Regular Pay - Continuing Full Time	\$34,188,697	\$38,290,748	\$44,672,340	\$83,578	\$44,755,918
12	Regular Pay - Other	\$13,961,499	\$17,300,396	\$15,524,451	\$0	\$15,524,451
13	Additional Gross Pay	\$296,215	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$10,867,246	\$12,674,835	\$13,573,724	\$18,440	\$13,592,164
15	Overtime Pay	\$238,209	\$410,892	\$0	\$0	\$0
20	Supplies and Materials	\$482,448	\$935,346	\$770,520	\$0	\$770,520
30	Energy, Communications, and Building Rentals	\$821,697	\$592,751	\$844,826	\$0	\$844,826
31	Telephone, Telegraph, Rentals - Land and Structures	\$930,528	\$950,145	\$1,077,930	\$0	\$1,077,930
32	Rentals - Land and Structures	\$231,324	\$231,291	\$231,291	\$0	\$231,291
34	Security Services	\$1,448,236	\$1,900,805	\$972,939	\$0	\$972,939
35	Occupancy Fixed Costs	\$894,695	\$2,434,362	\$1,588,369	\$0	\$1,588,369
40	Other Services and Charges	\$16,779,912	\$18,151,319	\$18,795,548	(\$149,696)	\$18,645,852
41	Contractual Services - Other	\$7,931,918	\$9,738,046	\$13,701,411	(\$94,343)	\$13,607,068
50	Subsidies	\$36,388,546	\$38,897,714	\$36,792,864	\$87,070	\$36,879,934
70	Equipment & Equipment Rental	\$910,595	\$1,152,430	\$1,301,387	\$0	\$1,301,387
	Total	\$126,371,765	\$143,661,080	\$149,847,600	(\$54,951)	\$149,792,649

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for DOES is \$149,847,600, an increase of \$6,186,519, or 4.3 percent, from the current fiscal year's approved budget of \$143,661,080. The proposed budget would support a staff of 771.4 FTEs, an increase of 13.8, or 1.8 percent, over the current fiscal year.

Local Funds: The Mayor's FY 2020 local funds budget proposal for DOES is \$59,688,695, a decrease of \$9,733,987, or 14.0 percent, over the current fiscal year's approved budget of \$69,422,682. The proposed local budget would support 227.5 FTEs, a decrease of 71.6 FTEs over the current fiscal year.

Special-Purpose Revenue: The Mayor's FY 2020 special-purpose revenue funds budget proposal for DOES is \$53,098,596, an increase of \$13,537,136, or 34.2 percent, from the current fiscal year's approved budget of \$39,561,459. The proposed special-purpose revenue funds budget would support 309.0 FTEs, an increase of 101.4 FTEs over the current fiscal year.

Federal Grant Funds: The Mayor's FY 2020 federal grant funds budget proposal for DOES is \$33,253,151, an increase of \$3,376,957, or 11.3 percent, from the current

fiscal year's approved budget of \$29,876,193. The proposed federal grant funds budget would support 210.8 FTEs, a decrease of 7.0 FTEs from the current fiscal year.

Private Grant Funds: The Mayor's FY 2020 private grant funds budget proposal for DOES is \$690,472, a decrease of \$96,314, or 202.6 percent, over the current fiscal year's approved budget of \$786,786. The proposed private grant funds budget would support 6 FTEs, the same number of FTEs as the current fiscal year.

Intra-District Funds: The Mayor's FY 2020 intra-district funds budget proposal for DOES is \$3,116,686, a decrease of \$897,272 or 22.4 percent, over the current fiscal year's approved budget of \$1,666,975. The proposed intra-district funds budget would support 18 FTEs, a decrease of 9 FTEs over the current fiscal year.

Committee Analysis and Recommendations

a. Budget Recommendations

1. Replace portions of recurring workforce development programmatic funding with one-time money

One major focus of the Committee on Labor and Workforce Development is to determine if District taxpayers are truly seeing a return on their investment in DOES programs. The committee has made numerous attempts to obtain this information in a clear, comprehensive, and reliable way.²⁰ Despite these efforts, the committee has been unsuccessful at obtaining demonstrable results of program success, which is discussed in more detail below. Given the populations that many of these programs serve, the needs of District workers served by these programs, and the amount of funding spent by DOES, the committee recommends that \$5.8 million in recurring workforce development programmatic funding be replaced with one-time money across several locally-funded programs. Typically, every year, a program's funding is assumed to continue, regardless of its efficacy. These cuts will ultimately require DOES to demonstrate to the Mayor, and then the Council, that the recurring funding is worth restoring in the FY 2021 budget.²¹ The committee expects that by next year, the agency will be able to provide valid, clear data about the programs' services, outcomes, and successes at both the program and vendor-level.

²⁰ These attempts include oversight inquiries into programs related to First Source, year-round youth, Local Adult Training, the Marion Barry Summer Youth Employment Program, Career Connections, Project Empowerment, Learn Earn Advance Prosper (LEAP), apprenticeship, and training provided by the Mayor's marquee Infrastructure Academy.

²¹ The Committee notes that while the Mayor's proposed FY 2020 budget made numerous new investments, many of the DOES programs identified by this committee to receive one-time funding already received cuts to recurring funds, perhaps suggesting that DOES has already failed to demonstrate to the Mayor the programs' full utility.

The programs that will see one-time funds replace recurring funds are: Local Adult (\$1,000,000 in program 4250 Training, CSG 50 subsidies and transfers);²² DC Infrastructure Academy (\$500,000 in program 4260, CSG 50);²³ Transitional Employment Program – Project Empowerment (\$3,300,000 in program 5100; \$300,000 from CSG 40, other services and charges, and \$3,000,000 in CSG 50);²⁴ and DC Career Connections (\$1,000,000 in program 5200, CSG 50).²⁵

Over the past two Council periods, the committee has repeatedly requested information about programs’ and providers’ outcomes. As a way to obtain this information, the committee has reviewed the statutorily required Quarterly Local Job Training reports. Unfortunately, it is not possible to discern from these reports a clear picture of programs’ outcomes from these reports because the information presented is disjointed and muddled; the type of information presented varied by program; the reports did not have clear time periods for when participation took place or when outcome metrics were measured; and most importantly, the report has not been delivered to the Council since September 2018. The committee has relayed these concerns to the agency numerous times and has asked repeatedly for a more recent report. In response, the agency informed the committee in January of this year that the report would be revised. Yet, as of the approval of this FY 2020 budget report, the Quarterly Local Job Training report has not been delivered.

The committee has also asked for commitments from Executive officials to provide programmatic and vendor-level outcomes data, including asking this information from the previous DOES director and the former Deputy Mayor for Greater Economic Opportunity, at numerous hearings, and in private conversations.²⁶ In order to obtain some performance information, the committee focused many of its requests on a project managed by the Office of the City Administrator (OCA), VendorStat, which Executive officials said several times would contain the information that the committee requested. The project was underway for years, but there was no final product developed. The Executive made commitments on several occasions to provide such information in the future. None has been delivered.

In response to this lack of information, on July 11, 2017, the Chair of this committee introduced the Workforce Development System Transparency Act of 2017. This legislation

²² 67% of the \$1,494,751 in the proposed budget will be replaced with one-time funding.

²³ 65% of the \$767,000 in the proposed budget will be replaced with one-time funding.

²⁴ 76% of the \$393,585 and 56% of the \$5,383,994 in the proposed budget, respectively, will be replaced with one-time funding.

²⁵ 61% of the 1,644,023 in the proposed budget will be replaced with one-time funding.

²⁶ See discussion in Labor and Workforce Development Committee Report on PR 22-0128, “Director of Employment Services Odie Donald Confirmation Resolution of 2017,” April 24, 2017, p. 7-8, available at <http://lims.dccouncil.us/Download/37483/PR22-0128-CommitteeReport1.pdf>; FY2018 Report and Recommendations of the Committee on Labor and Workforce Development, May 17, 2017, p. 9-10, 14-15, 28-29, 45-46, 51, 56, 58, available at http://dccouncil.us/wp-content/uploads/2018/11/labor_final.pdf; FY2019 Report and Recommendations of the Committee on Labor and Workforce Development, May 2, 2018, p. 33-34, 59-60, available at <http://lims.dccouncil.us/Download/39945/B22-0754-CommitteeReport6.pdf>.

requires the Executive to develop an annual expenditure guide on all workforce development and adult education programs (across agencies), showing program and vendor-level outcomes. Now law, the first guide required by the Act was due to the Council and the public on February 1, 2019. As of the filing of this FY 2020 budget report, the guide has not yet been provided.

As a result, the FY 2018 outcome data available to the committee has been largely limited to DOES' FY 2019 Performance Plan on the OCA's website.²⁷ The Performance Plan has no outcomes on the Local Adult Training program. As discussed in more detail in the policy recommendations and recommendations for new Budget Support Act subtitles, the Performance Plan shows that only 15 people out of 388 who completed training obtained unsubsidized employment through training at the Infrastructure Academy. The DOES director testified at the FY 2019 performance hearing that this number may have been incorrect, possibly due to it being a snapshot in time or representative of only a portion of the year. At the budget hearing, the director testified that 40 percent, or 200 out of the 500 people completing training got jobs, but she could not provide details about where those jobs were or how many jobs were with the Infrastructure Academy's partner companies, including Pepco and Washington Gas, nor was any data beyond the topline figure provided.

In Project Empowerment, the OCA Performance Plan shows that 387 participants were placed in unsubsidized employment in FY 2018; however, the director stated at the FY 2019 performance oversight hearing that that figure was actually a record number of 574. The committee does not know if these were full-time jobs, although DOES allows for participants to receive retention payments as long as they are working at least 25 hours per week.²⁸ The committee has not been provided with the percentage entering employment that either of those figures represents, which is important because many of those individuals likely began the program in FY 2017, and comparing 574 to the 745 completing work readiness training in FY 2018 is likely an inaccurate measure of success. In addition, DOES has not provided retention data showing the number and percentage of individuals who remained employed after six months, and after 12 months, which is critical to ensuring that these were not simply temporary or seasonal jobs. In Career Connections, an independent evaluation of the program shows only 29 percent of the people who started the program before April 2016 were still employed in the quarter after they completed the program.

The committee's recommendation is not meant to be a punitive measure. Rather, the purpose of identifying and modifying \$5.8 million of these funds is meant to spur the agency to track and report information that will demonstrate the outcomes of the programs. In the meantime, \$4.3 million of the FY 2021-2023 recurring funds that were proposed for these programs will be converted to \$12.9 million of one-time Pay-As-You-Go capital funds and loaded into DOES' Infrastructure Academy project. The remaining \$1.5 million of the \$5.8 million from DOES programs will be used to transfer \$1 million to the

²⁷ Available at <https://oca.dc.gov/sites/default/files/dc/sites/oca/publication/attachments/DOES19.pdf>

²⁸ Department of Employment Services, Project Empowerment Program, Current Participant FAQs, available at <https://does.dc.gov/page/current-participant-faqs-0>

Committee on Education to contribute to funding for the School Safety Act (see Chapter III) and to provide recurring funds to implement the Pathways to District Government Careers Act (see Chapter II.B).

2. Fund and implement the Pathways to District Government Careers Amendment Act of 2018 (L22-211)

The Council passed legislation in 2018 to provide several ways for District residents to obtain employment in District government. This bill, the Pathways to District Government Careers Act (L22-211 or “Pathways Act”), has a particular focus on ensuring that residents who also completed their secondary (high school or equivalent) education in the District have special consideration. The Pathways Act has three main provisions, which are detailed below.²⁹

First, the Executive will create apprenticeship programs in five occupations within District government in the first two years; at least one program must be in healthcare and one in information technology—two of the District’s six high-demand industries. DOES and the Department of Human Resources (“DCHR”) are each assigned responsibility for implementing this initiative, and each will identify a staffperson dedicated to the initiative. The first step is for the two agencies to develop a plan for the creation and administration of the initiative by the end of March 2020 (6 months after the applicability date of Oct. 1, 2019). By December 1, 2020, the agencies will submit a three-year plan for creating additional apprenticeship programs.

Second, the Pathways Act requires DCHR to create partnerships with District secondary schools, which will help create a pipeline to government jobs. The third component of the law will require hiring agencies in District government to give priority consideration for entry-level jobs to graduates of District high schools and other secondary schools.

The updated Fiscal Impact Statement outlining the associated costs for DOES follows (see the DCHR chapter for full cost information):

Costs for DOES of Bill 22-777, Pathways to District Government Careers Act of 2018, FY 2020 - FY 2023					
	FY 2020	FY 2021	FY 2022	FY 2023	Four-Year Total
DOES program manager (1 FTE, Grade 12)	\$102,020	\$103,805	\$105,622	\$107,470	\$418,917

²⁹ See the related committee report for detailed discussion of the law’s components: Committee on Labor and Workforce Development, “Report on ‘Pathways to District Government Careers Act of 2018’,” September 25, 2018, available at <http://lims.dccouncil.us/Download/40027/B22-0777-CommitteeReport1.pdf>.

The committee recommends fully funding the entirety of the Pathways Act, including providing \$102,020 in recurring funds to DOES for FY 2020 to hire a program manager at Grade 12. (See the recommendation on funding for DCHR in Chapter II.B.2.)

The District government currently has registered apprenticeships at the Department of Public Works and the Department of Consumer and Regulatory Affairs.³⁰ DCHR and DOES have previously stated that there are several other District agencies that have either expressed an interest in or would be good candidates for potentially establishing registered apprenticeship programs, including the Department of General Services, the District Department of Transportation, and the Department of Forensic Sciences. The new staff person will manage the public sector apprenticeship initiative alongside DOES' existing apprenticeship staff. The manager will work with DCHR to identify apprenticeable positions, create program guidelines, work on required reports for Council, and assist the agencies in establishing new apprenticeship programs, such as identifying occupations in which to have the apprenticeships, drafting standards with prospective agencies, including course of instruction and the minimum hours to complete the apprenticeship.

The committee recommends that DOES take all action possible in FY 2019 in order to begin implementation and have the new program manager start on or very soon after October 1, 2019, including creating a new position number, preparing a job description, recruiting, conducting interviews, and any other personnel hiring steps possible before money is released at the start of FY 2020. The posting would indicate that the start date will be on or after October 1, 2019.³¹

3. Increase funding for labor law education and outreach and reduce “other services” in Office of Wage-Hour Compliance

DOES currently educates the community about wage and hour laws via grantmaking, collaboration with sister agencies, and various paid and earned media. In FY 2018, the agency issued two grants totaling \$120,000 to community organizations for labor law education and it plans to award \$100,000 in grants in FY 2019. The proposed FY 2020 budget for grants is currently \$130,000 which would not permit the agency to expand its outreach efforts. Therefore, the committee recommends an increase of \$70,000 to be used toward grants to be awarded to community organizations for outreach purposes.

These additional funds will help ensure that grantees identified pursuant to the Wage and Hour Education Grants Program Act of 2019 have adequate funds to implement the more complex activities required by the Act. The committee recommends that the “other services” portion of the Office of Wage-Hour budget be reduced by \$70,000, from \$467,000 to \$397,000 given some enforcement responsibility has been shifted out of the agency. According to DOES, it allocated \$80,000 for a Memorandum of Understanding (MOU) with the Office of Human Rights related to enforcement of the Protecting Pregnant Workers Fairness Act (D.C. Code § 32-1231.01 et seq.). In FY17, DOES was charged with

³⁰ DC Water (a quasi-governmental agency) also has a registered apprenticeship program

³¹ However, if the agency has available funds, the agency is allowed to bring someone on prior to October 1.

enforcing the Act but, via a Memorandum of Understanding, contracted for OHR to investigate claims via an annual MOU valued at \$40,000. Enforcement of the Act was subsequently reassigned to the Office of Human Rights (OHR) in the FY18 Budget Support Act and therefore OHR should bear these costs. Also, a \$30,000 MOU related to wage and hour outreach by and with the Mayor's Office of Latino Affairs has not been executed. Therefore, these funds are available for allocation toward outreach grants.

4. Reduce Special Purpose Revenue Fund 624 from expected reserves

According to agency expenditure and encumbrance records, special purpose revenue fund 624 will have a balance of approximately \$2.8 million at the end of FY 2019. The committee recommends a minimal reduction to the funds allocated of \$90,696 in one-time funds. These funds will be used to fund the one-time costs of L22-211, the Pathways to District Government Careers Act.

5. Align Statewide Activities' contracts budget with past spending

In the FY 2017 and FY 2018 local Statewide Activities budget, \$0 and \$1,212 was spent, respectively, on CSG 41 (contractual services – other). The FY19 budget is \$103,135, but as of March 20, 2019, only \$766 has been spent. Based on these levels of spending, the committee believes that the \$95,843 in the FY20 proposal reflects overbudgeting. The committee is proposing a \$94,343 reduction, which would still leave \$1,500 (as well as \$651,500 in federal funds) in this line of the budget.

b. Policy Recommendations

PAID LEAVE

1. Release the Request for Proposal (RFP) for the upcoming benefits system as soon as possible to ensure a timely delivery of the system

a. The RFP for the tax collection IT system was released too close to the July 1 deadline

The Universal Paid Leave Amendment Act of 2016 outlines multiple deadlines for the administration, the Department of Employment Services (DOES), employers, and workers. The first consequential deadline is July 1, 2019. This is the first day the District will begin collecting employer contributions for the paid leave fund, which will be used in turn to pay for benefits to workers starting July 1, 2020³². D.C. Code § 32-551.01(h) makes clear that the Universal Paid Leave Implementation Fund must be solvent in order for claims to be paid. Because of this, it is critical that the District hit its target date to begin collecting the employer contribution.

The committee believes there are lessons learned from the process for building the tax side of the system that can improve the process for building the benefits side. A primary lesson is releasing the RFP and signing a contract with a vendor much earlier. In September of 2018, DOES released an RFP soliciting bids for the development and building of the tax collection system. This left the agency approximately ten months before the July 1 deadline to procure and enter into an agreement with a company for the tax collection IT system, as well as to build it. Four months later, in February of 2019, DOES submitted to the Council a proposed contract with Sagitec Solutions, LLC. While this committee and its chair applauded the award of the contract, the delay in securing a contract led to concerns about the timely delivery of the system.³³ DOES has assured the committee that the tax collection system will be available on July 1; however, there are several steps that still need to be taken in order for the system to be fully functional, including allowing for user-testing to determine that the system works well and intuitively for lay users, as well as to address any vulnerabilities or system issues.

b. Development of the benefits IT system will likely need to be longer given it is more complicated than tax collection

From the outset, it has been anticipated that the IT system envisioned for the paid leave law will need to be comprehensive and sufficient to interact with employers, workers,

³² As a reminder, the law requires that every private employer in the District contribute 0.62-percent of their payroll to ensure that their workers will have the ability to take paid time off to care for a new child, to care for a family member, or to take personal, medical leave. This tax is only on the payroll of eligible employees. For example, if an employer has a \$1 million payroll, but eligible employees only make up \$700,000 of the payroll, the employer's contribution will be based on the \$700,000.

³³ See Contract CW67661, which can be found here: http://app.ocp.dc.gov/Award_attachments/CW67661-Base%20Period-Contract%20Award-CW67661%20PFLTS%20Sagitec%20DOES-Executed.pdf

payroll companies, and District agencies like the Office of Tax and Revenue. In fact, this system will have to ensure that the District is in compliance with all federal requirements, including federal and District Family and Medical Leave Act laws, Unemployment Insurance, HIPAA, the District's Language Access Act, as well as have the ability to provide guidance to DOES on how much leave an individual will be allowed to take based on the International Classification of Diseases. Additionally, D.C. Code § 32-541.06 requires that the Mayor establish reasonable procedures and forms for filing claims for the benefits provided by the law; the benefits IT system must allow for the submission of those forms and documents.³⁴

As outlined above, the release and approval of the RFP for the tax IT system left fewer than five months for building and development. While this committee and its Chair have expressed concern, DOES leadership repeatedly has given assurance that the tax IT system will launch by the July 1 deadline. Part of the agency's justification is that the chosen vendor, Sagitec Solutions, LLC has developed the city's Unemployment Insurance IT system, and the PFL tax IT system will be similar in nature. Although the benefits system will have to work in conjunction with the tax system, it must be noted that it will likely be more complicated given all of its technological and functionality needs. Moreover, it will need to be built from scratch, not an alteration to an existing system.

So that DOES avoids similar time crunch issues with the benefits IT system and to ensure that the developer of the benefits IT system has sufficient time to build and test the system, DOES should work closely with the Office of Contracting and Procurement to issue the RFP soon.

c. DOES should use all resources available to ensure that the final RFP is both submitted timely and technologically sufficient for the system's needs

As the city has prepared for the implementation of the Universal Paid Leave Amendment Act, this committee, its Chair, and DOES have met with numerous entities who are knowledgeable in the procurement of large IT systems. Although this committee has repeatedly pressed for a timely release of the RFP for the benefits IT system, it has also encouraged the agency to work with those experts as it prepares the RFP. If DOES is still in the process of developing its RFP, the committee hopes—and strongly recommends—that the agency work with GSA's 18F office, the District's Office of the Chief Technology Officer, and other technical experts that can provide guidance on IT projects of this size and nature.

2. Release draft regulations as soon as possible for the upcoming benefits system to ensure sufficient input and timely delivery of system

In April of 2018, DOES released draft regulations outlining the tax and benefits requirements for employers, workers, and self-employed individuals. In response to the

³⁴ D.C. Code § 32-541.06(g)(1)-(2).

comments it received on the regulations, the agency separated the tax and benefits regulations, and ultimately only released the regulations related to employer and self-employed contributions in February of this year. In addition to releasing the regulations, DOES has told this committee that it will release subregulatory guidance to provide additional information to employers and self-employed individuals. The committee commends the agency on its release of the tax regulations; however, it believes that the agency should release the benefits regulations as soon as possible.

In discussions with employers about the tax regulations, it has become apparent to this committee that they want clear and direct guidance on how to implement the Universal Paid Leave Amendment Act. Although DOES has launched a website with information and has met with various employers, business associations, and advocates, providing these entities with final regulatory guidelines on the benefits will serve to clarify many questions about the law and the agency's requirements under the law. Additionally, releasing the benefits regulations will help employers make critical internal decisions. This includes decisions related to drafting HR policies around leave and any overall decisions that need to be made about insurance benefits.

Finally, it is important to note that any comments received on draft regulations of the benefits system will help guide the development of the benefits IT system. For these reasons, this committee recommends that DOES release its draft regulations of the benefits system immediately.

3. *Improve communications strategy around paid family leave implementation to ensure that businesses are prepared for upcoming July 1 tax collection.*

a. *Develop a strategic plan for communicating with employers, and work with employers, payroll providers, and business associations to ensure that materials include critical guidance about the law and its implementation*

In late 2018, DOES entered into an agreement with Collaborative Communications for “the development of a comprehensive strategic communications and outreach plan, brand development, and the implementation of a publicity campaign for the District of Columbia PFL program.”³⁵ Despite this agreement, this committee has repeatedly heard from employers, business associations, and payroll companies that they are unclear on specific requirements needed for the July 1 deadline. When this committee and its Chair met with DOES, the agency was able to point to numerous places where information can be found related to the pending tax collection and the program's requirements. This includes the paid leave website, social media efforts, public town halls, email communications, toolkits, and online webinars provided by the agency. This committee applauds these efforts; nevertheless, it is unclear if there is a focused, strategic plan to inform employers, workers, and the community at large in accessible and plain English terms about this forthcoming benefit. This means that even with all of the agency's efforts,

³⁵ See Contract CW66007, which can be found here: http://app.ocp.dc.gov/RUI/information/award/award_detail.asp?award_id=11274.

if there is no targeted plan, they may not be reaching their desired audience. This committee recommends that DOES work with Collaborative Communications to immediately produce a clear strategic plan, if it has not already done so, for reaching key communities affected by the paid leave law. This plan should include easy to understand materials for employers, third-party vendors, HR professionals, and workers. It should also contemplate various methods for outreach.

One additional suggestion for the agency to consider is allowing employers, payroll providers, and business associations to “user test” communications materials. Once the program launches, these entities will be responsible for compliance with the law. Given that they have a keen understanding of what information they will ultimately need to be in compliance, this committee recommends that DOES and Collaborative Communications provide draft communications materials (i.e., mass emails, newsletters, and flyers) to these entities prior to distribution, to receive and incorporate feedback. This may allow the agency to fill-in any potential gaps in information before it disseminates final materials.

Additionally, DOES should consider filling some of its vacant FTEs in the Paid Leave Administration with individuals who can help ensure effective outreach. In fact, the committee notes that a posting for a Program Manager who will be in charge of communications for the paid leave office was posted on a major job search engine the weekend of April 27.

b. Consider looking to other District agencies for ideas about mass communications

Although it provides different services, the District’s Health Benefit Exchange Authority (HBX or Authority) has similar responsibilities in that must provide benefits information to every employer and worker in the city. Created in 2012 in response to the Affordable Care Act, the Authority is required to disseminate mass communications every year to ensure that employers provide and workers have access to health insurance.³⁶ As of FY 2019, the Authority manages all of its communications in-house. This means that it is responsible for all consumer education and outreach. Despite this responsibility, HBX reported that over 96 percent of District residents are covered by health insurance. Although this percentage may not be directly related to communications efforts, it is clear that the Authority is reaching much of its targeted audience. While this committee recognizes that the Authority has been in operation longer than the anticipated paid leave program, and that it initially utilized the services of an outside communications firm when it launched, DOES should still consider looking at HBX’s communications and outreach efforts, particularly because they serve similar customers: private employers and workers.

³⁶ D.C. Code § 31–3171.02.

4. *Provide a detailed analysis or spending plan for the \$61 million allocated for the paid family leave IT system*

Following the passage of the Universal Paid Leave Amendment Act, the Council allocated \$40 million in capital funding for the procurement and development of an IT system. The Mayor's proposed FY 2019 and 2020 budgets retained that initial funding, which this committee commends. At the time of the release of the Mayor's proposed FY 2020 budget, the capital project for the paid leave IT system had a balance of \$39.6 million. Nevertheless, DOES has proposed an additional \$21 million in FY 2020, which brings the total cost of the project to \$61 million. Just prior to the release of the budget, the District awarded a contract to Sagitec Systems, LLC for the building of the tax IT system for approximately \$4.7 million. With this award, the paid leave capital project now has a total proposed balance of \$56.3 million to build the benefits IT system.

While this committee and its chair share DOES' commitment to building and completing an IT system in accordance with the law, there is some question as to how the agency reached an estimated amount of \$61 million. First, Washington state, which is in the process of implementing its own paid leave law, entered contracts totaling approximately \$30 million for the building and development of its entire IT system. Second, when pressed on the cost, the agency was unable to fully explain why the project needed this level of funding. Given these factors, this committee recommends that DOES provide a detailed analysis of why it believes it needs an additional \$21 million in FY 2020. Additionally, this committee hopes that the agency is judicious in its spending and transfers any additional unspent PayGo funding into the paid leave program.

5. *Utilize user testing to ensure that the tax and benefits systems meet the needs of intended users*

One critical provision within the Universal Paid Leave Amendment Act is its requirement that the Mayor "create a user-friendly, online portal."³⁷ The creation of a "user-friendly" IT system is vital to the success of the program because the online system will be used by every private employer in the city and their employees, as well as by self-employed individuals. While the city has provided many worker benefits to District workers (e.g., paid sick days, a higher minimum wage), most individuals do not have to interface with the city to access those benefits. The paid leave system is different: A worker must interact with an online system in order to have access to paid leave benefits; and an employer must interact with an online system to contribute towards the benefit.

To ensure that the final IT system is functional, user-friendly, and intuitive to both workers and employers, DOES should utilize user testing. User testing is considered a best practice for the development of new IT systems. Additionally, this may help reduce any potential confusion that users may face when the systems launch. It is also worth noting that Washington state has sent out multiple appeals to businesses requesting their participation in user testing of their forthcoming paid leave IT system. As of the approval

³⁷ D.C. Code § 32-541.06(g)(1).

of this report, DOES will have 61 days before the official launch of its tax IT system. Given the upcoming deadline, this committee encourages the agency to work with businesses and employer associations to test the system, since those groups will start using the online portal this year.

6. Hire all of the staff needed to run the paid leave program

Recognizing the scope of administering the paid leave law, the Chief Financial Officer (CFO) estimated that the new program would require 113 new FTEs.³⁸ These positions include claim specialists, customer service representatives, medical/insurance experts, managerial staff, and tax processors. In FY 2019, DOES budgeted for approximately 70 FTEs, and 100 FTEs in FY 2020. DOES has worked towards hiring positions for the program. In fact, in late-April, the agency posted a position for the Office of “Paid Family Leave Communications Manager.” And, it has hired a total of more than 30 positions, according to the director’s testimony at the agency’s budget hearing. This committee commends these steps.

As the agency moves towards full implementation of the program, however, this committee and its chair encourage DOES to more quickly fill the open positions. Right now there are a total of 26 vacancies within the program.³⁹ As noted in earlier sections of this report, employees for nearly every private employer in the District will be eligible for paid leave benefits. Because of this, it is imperative that DOES has the staff it needs to accommodate these workers and employers.

7. Ensure that DOES has the budget authority to pay for claims that will be filed in Fiscal Years 2020 and 2021

As noted in previous sections of this report, District workers will be able to file for paid leave benefits starting July 1, 2020. This will be in the fourth quarter of fiscal year 2020. Because the payments will begin in FY 2020, DOES must have the spending authority it needs to pay the claims. Currently, the Chief Financial Officer has certified \$10 million of special purpose revenue funds for DOES to use towards the payment of claims in FY 2020; however, no funding has been certified for FY 2021 or the years following. This is puzzling to this committee, given that the CFO estimated an annual revenue of \$238 million in employer contributions. Additionally, this committee has learned that the fund does not have continuing budget authority in the Local Budget Act of 2019 (LBA). According the Council’s budget office, this means that any increase or payout beyond \$10 million would need a budget adjustment or a supplemental budget.

In the Fiscal Impact Statement for the Universal Paid Leave Amendment Act, the CFO estimated an annual revenue of \$238 million. This is because he estimated that the 0.62 percent employer contribution would be on approximately 541,376 workers in the District. Given the CFO’s own estimation of how much revenue will be generated, and the

³⁸ See page 8 of Fiscal Impact Statement – “Universal Paid Leave Amendment Act of 2016”

³⁹ “DOES FY 2019 Schedule A report (as of 04172019),” provided by agency fiscal officer, on file with committee.

number of workers who will likely submit claims, DOES will not be able to sufficiently pay out benefits if only \$10 million is certified. Given this, this committee recommends increasing DOES' spending authority and changing the LBA to allow for DOES to spend funds as they come in.

WORKFORCE DEVELOPMENT

1. At the DC Infrastructure Academy:

a. Train more individuals for high-wage careers

The DC Infrastructure Academy (DCIA) opened on March 12, 2018, at Wilkinson Elementary School on Pomeroy Road SE in Anacostia. In opening the academy, Mayor Bowser noted its promise as a source of high-wage careers. The committee believes that with the significant taxpayer and private investment in DCIA, residents should be trained for living wage careers.⁴⁰ However, the first year of training at DCIA shows that is not what has happened; rather, most training has been for lower-wage jobs.

As Mayor Bowser said, "In 2017, the District's infrastructure sector included 6,753 jobs, with 2,231 job openings and only 1,246 hires, representing a shortage of nearly 50 percent in an industry with an average hourly wage of \$48.75."⁴¹ However in FY 2018, 320 of the 396 individuals receiving occupational skills training at DCIA⁴² (81%) were trained to be construction flaggers,⁴³ a job that DOES has advertised as paying just \$16 an hour.⁴⁴ Of the seven classes DOES is offering at DCIA in April 2019, three pay only slightly above the minimum wage.⁴⁵

The committee recommends legislation requiring that DCIA funds be directed to high-wage jobs, specifically that at least two-thirds of the individuals trained through DCIA be trained for jobs that pay at least 150% of the minimum wage. See the relevant Budget Support Act subtitle proposal in Chapter IV.B.2.

⁴⁰ Including \$5.2 million from Pepco's merger with Exelon (see Department of Employment Services, "Mayor Bowser Opens the DC Infrastructure Academy," March 12, 2018, available at <https://does.dc.gov/release/mayor-bowser-opens-dc-infrastructure-academy>) and \$4 million from Washington Gas's merger with Alta Gas, see WGLH/AltaGas Merger Commitment Tracker, p. 3, available at <https://dcpsc.org/FC1142AtlasGas-WGLMerger>.

⁴¹ Department of Employment Services, "Mayor Bowser Opens the DC Infrastructure Academy," March 12, 2018, available at <https://does.dc.gov/release/mayor-bowser-opens-dc-infrastructure-academy>

⁴² 46 individuals also received work readiness training, see "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," February 15, 2019, page 58, available at: <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

⁴³ "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," February 15, 2019, page 58, available at: <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

⁴⁴ Department of Employment Services, DCIA Advertisement, April 10, 2019, available at https://twitter.com/DOES_DC/status/1116038245996007425.

⁴⁵ Department of Employment Services, DCIA Advertisement, April 10, 2019, available at https://twitter.com/DOES_DC/status/1116038245996007425.

b. Ensure that trainees obtain employment and are placed in jobs in the fields in which they were trained. Work with partner entities to hire more graduates

Most DCIA graduates do not find employment, and those that do often work in fields unrelated to their training, according to data submitted to and reviewed by the committee. At DOES's performance oversight hearing, agency Director Unique Morris-Hughes testified that "over 1,500 District residents have completed DCIA training applications...nearly 600 have completed infrastructure training programs, and 433 have earned credentials." However, performance data reported to the Office of the City Administrator for FY 2018 shows that only 15 have entered unsubsidized employment.⁴⁶

In response to follow up questions from the hearing, DOES sent the committee a list of 23 individuals that had been placed in jobs. While two of the partner companies, Pepco and WMATA, were each listed as hiring two people, several individuals were working in jobs completely unrelated to their training, including at Buffalo Wild Wings, a hair salon, as a night stocker at Giant grocery store, as a pharmacy tech, and at budget rental car. At the budget hearing, the Director testified that "more than 200 individuals secur[ed] unsubsidized employment"⁴⁷ but did not provide the committee with a list of where they were employed.

DOES should work to place as many DCIA graduates as possible into living-wage careers in the fields in which they were trained. If there are insufficient job opportunities for individuals based on the credential they received, DOES should reevaluate its course offerings. DCIA was launched with several partner companies in addition to Pepco/Exelon and WMATA, including DC Water and Washington Gas. DOES should work closer with all of the partners to ensure that DCIA graduates are considered for full-time, permanent positions. If DCIA isn't producing qualified candidates, DOES should solicit assistance from the partner companies in designing new training classes.

c. Spend private money first

The revised FY 2019 budget for DCIA includes \$3.5 million in local funds and \$2 million in private funds from the Pepco/Exelon merger. The proposed FY 2020 budget includes \$690,000 of the Exelon funds that DOES doesn't plan to spend in FY 2019. The committee recommends that all available private funds should be used before tapping local taxpayer funds, so that those local funds can be directed to other programs and more people can be served overall. This is especially relevant as DOES is about to receive an additional

⁴⁶ DOES FY 2019 Performance Plan, available at <https://oca.dc.gov/sites/default/files/dc/sites/oca/publication/attachments/DOES19.pdf> (p. 6)

⁴⁷ "Fiscal Year 2020 Budget Oversight Hearing, Testimony of Dr. Unique Morris-Hughes," April 24, 2019, p. 4

\$4 million in private funding for DCIA as a result of Washington Gas’s merger with Alta Gas.⁴⁸

d. Provide the Council and the public with a strategy regarding long-term plans for the DCIA building

DCIA is a stand-alone building. \$1.8 million has been spent to renovate the current location,⁴⁹ and DOES’s capital budget includes \$7.5 million of additional funds for DCIA.⁵⁰ However, it is not clear to the committee how those funds will be spent. DOES’s performance oversight responses discussed building an additional breakroom;⁵¹ the City Administrator mentioned expanding the existing location to include such components as a utility pole for Pepco training;⁵² the Mayor’s budget director told committee staff that the Executive wasn’t sure whether or for how long DCIA would remain at its existing location;⁵³ DOES’s AFO responded to committee staff that in FY 2020 “we will be hosting more programs off site at remote DCIA locations closer to Metro stations;”⁵⁴ the DOES director stated at the budget hearing that the Department was in discussions with the University of the District of Columbia about building out an automotive technology program; and the Deputy Mayor for Education stated that these funds would be used to build out the second floor of DCIA. DOES should provide the Council and the public with a strategy regarding long-term plans for the DCIA building to explain to the public how its tax dollars are going to be spent.

2. Improve the Year-Round Youth program by providing more year-round occupational skills training and job opportunities for in-school youth

The Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) is the largest District workforce initiative for youth. However, a program that only lasts 29 days does not appear to be sufficient for many participants, who regularly inform the committee that they want opportunities to work year-round. They have little success in securing employment on their own, especially for those younger than 18. In FY 2018, DOES operated an innovation grant program for organizations to provide job training to youth attending school. In FY 2019, however, no such programs have operated, with the

⁴⁸ See WGLH/AltaGas Merger Commitment Tracker, p. 3, available at <https://dcpsec.org/FC1142AtlasGas-WGLMerger>

⁴⁹ “Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” February 15, 2019, p. 56-57, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

⁵⁰ “Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2019 Budget for Agencies Under Its Purview,” May 2, 2018, p. 42, available at http://dccouncil.us/wp-content/uploads/2018/11/LWD_FY19_budget_report_05-02-18_FINAL_w-o_attachments_1_.pdf.

⁵¹ “Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” February 15, 2019, p. 56-57, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

⁵² Committee of the Whole Public Briefing on the Mayor’s Fiscal Year 2020 Proposed Budget and Financial Plan, March 22, 2019.

⁵³ Conversation with Budget Director Jenny Reed, April 1, 2019.

⁵⁴ Email and document from DOES Agency Fiscal Officer to Committee, April 5, 2019.

exception of DOES providing \$42,000 in subsidies to 180 participants in D.C. Public Schools' (DCPS') Career Bridge program for high school seniors.⁵⁵ DOES released an RFA on April 23, 2019,⁵⁶ with applications not due until May 22, but it is unclear to the committee when this programming will begin.

Workforce agencies aren't required to serve any in-school youth (ISY) with federal funds and DOES's FY 2020 year-round youth (YRY) spending plan shows that no in-school youth will be served next fiscal year with federal funds. DOES's spending plan for YRY shows that local funds will serve approximately 100 in-school youth and 200 out-of-school youth. Because the federal funds are only serving out-of-school youth, the committee recommends that most local funding be used to serve in-school youth. Specifically, the committee recommends that at least two-thirds of DOES's local YRY funds for training be spent on in-school youth who live or attend school in Ward 7 or Ward 8, and who are not participants in Career Bridge. See the relevant Budget Support Act subtitle proposal in Chapter IV.B.2.

3. Increase First Source transparency and compliance

a. Continue to improve tracking of projects

The committee has been working with DOES for more than a year to ensure that all First Source projects are being tracked and monitored correctly. However, the committee is concerned that these goals have still not been met. While DOES has increased the number of First Source projects it is tracking, the committee is concerned that numerous projects still do not appear on the latest data template provided to the committee, including several in which the contract and contract administrator is within DOES.⁵⁷ In addition, numerous projects are tracked against incorrect hiring requirements. Construction projects over \$5 million are subject to requirements based on hours worked, a 2012 revision to the First Source law. However, most large construction projects are instead being tracked by the old requirement that 51 percent of new hires be District residents. The committee's ultimate concern is that if projects are not being tracked correctly (or at all), it is likely they aren't being monitored and enforced correctly. This ultimately hurts District residents who are less likely to get as many of the job opportunities on these projects that they should under the law.

At the budget hearing, the DOES director stated that she recently reviewed IT upgrades that the Department is working on, which she said will fix these issues. While the committee commends the Department on improvements made in the past year, DOES

⁵⁵ "DOES Responses to the FY 2018-2019 Performance Oversight Questions from the Committee on Labor and Workforce Development," February 15, 2019, Attachments Part 1, p. 244, available at http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part1.pdf

⁵⁶ DC Department of Employment Services Workforce Development Bureau, "2019 In-School Youth Innovation Grant" Request for Applications, available at <https://opgs.dc.gov/sites/default/files/dc/sites/opgs/publication/attachments/2019%20In%20School%20Youth%20Innovation%20Grant.pdf>.

⁵⁷ This spreadsheet is not an official document, but it is the only document the Committee is aware of that has information regarding most First Source projects.

should alert the committee as soon as its IT upgrades are complete and provide a timeline for when the committee can expect complete and accurate tracking of all First Source projects.

b. Review calculation of penalties

District law states contractors that fail to meet the First Source hiring requirements may be subject to “a penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the project or contract for each percentage by which the beneficiary fails to meet the hiring requirements.”⁵⁸ DOES has been calculating fines based on the number of percentage *points* by which contractors fail to meet the hiring requirements.⁵⁹ However, the committee’s interpretation of the law indicates the penalty is based on the percentage by which the target was missed.

For example, for construction projects over \$5 million, 20 percent of journeyworker hours must be worked by District residents. If a contractor only achieved 15 percent DC-resident hours, DOES would calculate the penalty based on the contractor missing the target by five percentage points, as opposed to by 25 percent. The committee recommends that DOES review this provision of the Code and provide the committee with their legal analysis to explain their interpretation.

c. Finish required regulations and report to Council

According to District law, the Executive was to have issued “rules establishing enhanced hiring and reporting requirements for government-assisted non-construction projects or contracts that receive government assistance totaling \$5 million or more” by February 24, 2013.⁶⁰ However, at a recent meeting, DOES staff told the committee there were no plans to do so. The committee recommends that DOES develop the required regulations and, if needed, contract out for the services necessary to perform the requisite analyses and make recommendations for industry-specific regulations.

District law also requires that “the Mayor shall regularly, but at least once every 3 years, conduct a new review of the [hours-based] hiring and reporting requirements...to determine the appropriateness of each percentage and make relevant findings of the determination in a report to the Council.”⁶¹ At the referenced meeting, DOES staff told the committee that the report would be delivered to the Council in the coming weeks. DOES should complete and transmit the report to Council as soon as possible.

⁵⁸ D.C. Code § 2-219.03(e)(4).

⁵⁹ “DOES Response to First Source White Paper,” April 17, 2018, p. 194, available at http://zd4162ki6k620lqb52h9ldm1.wpengine.netdna-cdn.com/wp-content/uploads/2018/12/DOES.First_Source.Response.Attachments.B.thru_.I.pdf

⁶⁰ D.C. Code § 2-219.03(e)(1B)(A).

⁶¹ D.C. Code § 2-219.03(e)(1A)(I).

4. Utilize the integrated education and training model

Most District jobseekers do not qualify for many of the city’s job training programs, which require minimum educational functioning levels for participation, often at the 8th or 9th grade levels. As the table below shows, most jobseekers score below these levels, which disqualify them.

Percentage of Individuals Testing by Level and Location, FY 2018

	American Job Centers	Project Empowerment	Career Connections	Infrastructure Academy
Testing below 8th grade math	72%	70%	90%	58% ⁶²
Testing below 6th grade math	33%	41%	65%	35%
Testing below 8th grade reading	25%	44%	49%	15%
Testing below 6th grade reading	7%	17%	13%	5%

In most circumstances, when an individual scores too low to qualify for a training program, they are sent out for remediation. However, when basic education is combined with, and delivered in the context of, occupational skills training, adults learn more quickly and gain more skills. This “integrated education and training” (IET) model is considered a best practice and used across the nation.⁶³

Several public witnesses at the budget hearing discussed the importance of the IET model as having improved the District’s adult education landscape, but further recommended that IET be used across the District’s workforce system, such as at the DC Infrastructure Academy. For programs that provide occupational skills training, DOES should utilize the IET model in order to allow more residents to participate in the programs from the beginning and to reap the efficiencies of the IET model. DOES should also consider using IET for some of its youth programs.

5. Increase opportunities in the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) for youth most in need and utilize funds more efficiently

a. Extend the program by six weeks for opportunity youth

Thousands of DC youth, ages 16-24 are disconnected from both school and work and have less than an associate degree; these are our Opportunity Youth (OY). OY are among the highest-need subpopulation in MBSYEP, and the program should weight efforts to helping them succeed. Effectively serving this population requires focused efforts

⁶² Of the seven classes currently being advertised at DCIA, two require at least eighth grade scores on math and reading and four require ninth grade scores. Only the course in flagging does not have literacy and numeracy requirements (see Department of Employment Services, DCIA Advertisement, April 10, 2019, available at https://twitter.com/DOES_DC/status/1116038245996007425).

⁶³ See, e.g., Beth Hawkins, “Adult Education Comes of Age,” *Education Next*, Vol. 19, No. 2, Spring 2019, available at <https://www.educationnext.org/adult-education-comes-of-age-new-approach-blends-basic-academics-job-training/>.

around recruitment and retention. The committee recommends that OY should be prioritized for placement in MBSYEP, especially for the limited 22-24-year-old slots. Once OY are connected into a program like MBSYEP, the District should seek to keep them engaged as long as possible; a 29-day program is insufficient. The committee is recommending a change to the law to permit such an extension. The committee is recommending a change to the law to permit an extension to their participation. See the relevant Budget Support Act subtitle proposal in Chapter IV.B.2.

b. Place more participants with host employers from registered apprenticeship programs

The committee commends the Department for placing 15 MBSYEP participants with registered apprenticeship host employers during the 2018 MBSYEP program.⁶⁴ The committee recommends that this effort be expanded to include at least 100 MBSYEP participants in the future. See the relevant Budget Support Act subtitle proposal in Chapter IV.B.2.

Registered apprenticeship is the gold standard in workforce training. Registered apprentices earn a living while learning a profession through a combination of on-the-job learning and related technical instruction, often given in the classroom. By spending the summer with these type of employers, MBSYEP participants will have more exposure to a career field than they may have otherwise, and may have the opportunity to enter directly into a registered apprenticeship program, as the 15 from last year were able to do. The committee is not recommending that they be made official apprentices, but rather that they be placed with employers that have apprenticeship programs in order to provide exposure to the field.

At the agency's budget hearing, the DOES director expressed concern that this requirement would be too onerous. However, the committee believes that 100 participants out of approximately 11,000 (or less than 1 percent) is not only manageable but might already be accomplished taking into account youth participating through District of Columbia Public Schools' Career Ready Internship program, which works directly with employers as part of MBSYEP.

c. Raise wages for 14-and-15-year-olds

In FY 2018, DOES spent \$10.1 million on wages for MBSYEP participants. The FY 2020 proposed budget for wages is \$11.5 million. Therefore, the committee recommends that the Department provide raises to 14-15 year-old participants, who are currently paid \$5.25 per hour. The committee estimates that providing this age group a minimum wage of \$6 per hour would cost no more than \$283,000 and that a \$6.25 per hour

⁶⁴ Department of Employment Services, "Youth Apprenticeship Advisory Committee 2018 Report," p. 3, available at https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/FY19%20YAAC%20Final.pdf

wage would cost no more than \$377,000.⁶⁵ The committee believes that raises could be provided with existing funds, particularly when considering that the number of youth participating in the program has fallen each of the past three years (see table below). The committee anticipates that this trend will persist as the minimum wage continues to increase, which enables youth the opportunity to earn significantly more money outside of the program than if they participate in it. As was noted in its FY 2019 Committee Report, the committee made this argument to the Office of the Chief Financial Officer, but the office “would not verify that the MBSYEP budget could absorb the cost of a wage raise in the proposed FY 2019 budget.”⁶⁶ However, if additional money is needed, the committee recommends that the Council or the Mayor provide the funding.

MBSYEP Application, Participant, and Attrition Data, 2015-2018

#	2015	2016	2017	2018
Applicants	22,978	23,031	22,365	19,433
Eligible	16,523	14,760	14,296	12,528
Certified	14,029	13,017	12,669	11,357
Participants who began the program	13,230	12,128	11,477	10,159
Paid Week 1	12,853	11,646	11,194	N/A
Paid Week 6	11,330	10,116	9,527	N/A
Attrition (Paid Week 6 vs. Week 1)	-1,523	-1,530	-1,667	N/A
Attrition Rate (Paid Week 6 vs. Week 1)	11.8%	13.1%	14.9%	12.9%

Sources: MBSYEP annual reports⁶⁷ and committee conversations with DOES’s Agency Fiscal Officer⁶⁸

d. Evaluate the effectiveness of soft skills training provided and the causes of attrition

“Soft skills” training is available to many MBSYEP participants through various mechanisms, including pre-program bootcamps, online modules, contracted services, and in-program instruction. The committee recommends that the program’s independent

⁶⁵ The Committee used the same methodology the OCFO did during the FY 2019 budget process. This methodology does not account for participant attrition, which was 12.9% in 2018 per the table below.

⁶⁶ “Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2019 Budget for Agencies Under Its Purview,” May 2, 2018, p. 100, available at http://dccouncil.us/wp-content/uploads/2018/11/LWD_FY19_budget_report_05-02-18_FINAL_w-o_attachments_1.pdf.

⁶⁷ “Summer 2015 MBSYEP report,” available at <https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/Summer%202015%20MBSYEP%20Report.pdf>;

“2016 MBSYEP Report,” available at <https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2016%20MBSYEP%20Report.pdf>; “2017 MBSYEP Report,” available at https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2017%20MBSYEP%20Report_r14_0.pdf; “2018 MBSYEP Report,” available at https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2018%20MBSYEP%20Report_r7.pdf

⁶⁸ 2018 eligible figure from communication from DOES Agency Fiscal Officer to Committee staff in a meeting April 4, 2018.

evaluator assess the effectiveness of the different models in imparting soft skills to see which models work and which don't. There is also a significant amount of attrition in the program, from application, to eligibility, to certification, to starting work, to being paid for the first week, to completing the six weeks of the program. Previous evaluations have called on DOES to study the possible causes of attrition, including the impact of the program's registration and documentation requirements; DOES has not shared any such study with the committee. The committee is also now recommending that the independent contractor evaluate the causes itself to ensure that as many District youth as possible are able to participate and remain in the program. Both of these recommendations are included in the relevant Budget Support Act subtitle proposal in Chapter III.B.2.

e. Streamline certification and eligibility processes

Many District residents looking for work have barriers to employment. Our government should ensure that it is not putting up additional barriers. Over the past two years, numerous youth, parents, and non-profits have expressed frustration to the committee and testified in hearings that the registration and documentation requirements are often very burdensome. The committee recently learned that the DC Networks virtual one-stop system (VOS) has a document upload function and the committee is recommending that this functionality be used for MBSYEP as well. While SYEP has its own system, program staff could look up a participant in VOS to check for their documentation instead of requiring participants to resubmit documents in person every year.

f. Ensure that prices charged by District agencies to host and/or place participants are fair

In FY 2018, DOES paid eight government agencies a combined \$1.25 million to host and/or place 1,995 MBSYEP participants (see table below). However, the cost paid varied significantly, ranging from \$288 to \$3,916 per participant.

FY 2018 MBSYEP MOUs with District Agencies

Agency	FY 2018 Amount	# of Participants	\$/Participant
DPR	\$375,000	1,300	\$288
DOEE	\$344,259	350	\$984
Commission on Arts & Humanities	\$75,000	100	\$750
UDC	\$75,000	70	\$1,071
Mayor’s Office on Latino Affairs	\$195,792	50	\$3,916
EOM – Serve DC	\$84,844	50	\$1,697
DSLBD	\$50,000	50	\$1,000
DISB	\$52,000	25	\$2,080
TOTAL	\$1,251,895	1,995	\$678

Source: Description of DOES’s FY 2018 MOUs.⁶⁹

The committee recognizes that costs will not be identical at every agency. For example, the Department of Parks and Recreation (DPR) has the lowest cost per participant as it likely able to take advantage of economies of scale. However, the committee does not believe that it should cost the Mayor’s Office on Latino Affairs (MOLA) more than 13 times what it costs to host a DPR participant for the 29-day program. Prior to the 2019 MBSYEP program (if possible, and certainly prior to the 2020 program), DOES should work with its partner agencies to ensure that the prices charged per participant are fair and legitimate. If DOES is paying too much for some of its MOUs, those additional funds should be reinvested in participants, such as providing raises for 14- and 15-year-old participants, or funding an MOU with the Mayor’s Office on African Affairs to expand the number of community based organizations that serve African immigrant communities.

6. *Implement the Pathways to District Government Careers Act.*

In 2018, the committee chair introduced, and the Council passed, L22-211, the Pathways to District Government Careers Act. The committee has identified full funding for this legislation in the FY 2020 budget; see budget recommendations in this chapter and Chapter II.B for discussion of the funding and implementation.

7. *Ensure the LEAP program assists participants to find permanent employment*

One of the Executive’s marquee workforce development programs is LEAP—Learn, Earn Advance, Prosper. It provides on-the-job training at District government agencies to District residents, many of whom are TANF participants. The program aims to reduce reliance on TANF, put individuals on a pathway to living-wage careers, and help District agencies fill positions with District residents. The Executive has also expanded the program to non-TANF recipients. The program is a shared effort between DOES and

⁶⁹ “Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” February 15, 2019, Attachments Part 1, p. 244-246, available at http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part1.pdf

DCHR. DOES's roles include providing funding for and oversight of the program as well as assigning case managers to work with the LEAP participants, in part to "facilitate transitioning the participant into full-time employment."⁷⁰

Several LEAP participants have shared concerns with the committee, including in public testimony, regarding the content of the program as well as the difficulty they have in finding permanent employment as their training comes to an end. In one case, a LEAP participant at the current cohort at the Department of Public Works testified about a delay in the start of its instructor-led certification training course. A former participant told the committee that participants were forced to work overtime, not compensated for it for several months, and then received only compensatory time for their extra hours. One of the roles of DOES's LEAP program manager is to "track, audit and report on data relevant to program success, challenges and enhanced program development and support" and develop weekly and monthly reports on these aspects of the program as well as the status of LEAP participants.⁷¹ DOES should take steps to ensure it is undertaking adequate monitoring and oversight.

The DOES participant, who had also participated in the Project Empowerment program just before entering LEAP, stated that neither DOES nor DCHR assisted her with finding permanent employment. At the budget hearing, the DOES director stated that the Department had reached out to this individual several times to discuss employment but had not heard back. The committee is concerned that it appears as though this outreach – required to be performed by the DOES case manager – was not done during the time the participant was working right in DOES's headquarters, which lasted more than one year. DCHR's director has stated that one option for LEAP participants when permanent employment hasn't been identified is to extend their LEAP term; it is unclear to the committee why this was not done in this individual's case. After District taxpayers likely invested \$40,000-\$60,000 in this individual's combined time in the two programs, she is now unsure how she will pay her rent.

At DCHR's budget hearing, the director explained that participating agencies are expected to have a permanent position available at the end of a LEAP trainee's term, but sometimes budgets or program missions change. Sometimes the individual is not a good fit. In planning future LEAP cohorts, the committee recommends that the Executive continue to set the expectation that host agencies will have a permanent position available for each participant. For example, the committee is concerned that the newly created sign installation program at the District Department of Transportation does not have such positions available for all (or perhaps any) of the participants in the program.

⁷⁰ District of Columbia Department of Employment Services Standard Operating Procedures, Division of State Initiatives, LEAP, p. 5, available at http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part2.pdf (p. 470)

⁷¹ District of Columbia Department of Employment Services Standard Operating Procedures, Division of State Initiatives, LEAP, p. 5 and 8, available at http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part2.pdf (p. 470 and 473)

The committee shares the Executive's goal of having a program that creates a pipeline for District residents to move into permanent employment. In conversations that the committee has had with LEAP participants, it is clear that these individuals want to be able to not only succeed but use the program as a launching pad to sustaining long-term employment. Nevertheless, the committee remains concerned that the program's goals do not match its outcomes. The committee would like to see LEAP succeed and encourages DOES to continue to do what it can to help individuals succeed in the program and to find permanent employment, particularly given the high cost of the program (approximately \$40,000 per participant).

8. Provide complete and accurate data in Project Empowerment, and enroll some prospective participants in federally funded programs

Project Empowerment is a long-standing and popular program at DOES. It serves primarily returning citizens to help them find their way back into the workforce by giving them an opportunity to get their foot in the door through subsidized employment. Lately, the program has also begun offering occupational and educational services. It serves hundreds of people a year and many participants seek out the program because they have heard about it from friends or relatives. The committee would like Project Empowerment to be a success, and there is no doubt that it has helped some District residents.

The committee relies on data to review program performance on the whole, but as discussed in the operating budget recommendations above, the data the committee has received regarding the Project Empowerment program has been incomplete and conflicting. DOES's FY 2019 Performance Plan shows that 387 participants were placed in unsubsidized employment in FY 2018,⁷² however the DOES director stated at the FY 2019 performance oversight hearing that that figure was actually a record number of 574. An explanation was not provided as to why these figures differed so significantly. The committee also does not know if the reported placements were full-time jobs, although DOES allows for participants to receive retention payments as long as they are working at least 25 hours per week.⁷³ The committee has not been provided with the percentage entering employment that either of those figures represents, which is important because many of those individuals likely began the program in FY 2017; comparing 574 to the 745 completing work readiness training in FY 2018 is likely an inaccurate measure of success. In addition, DOES has not provided retention data showing the number and percentage of individuals who remained employed after 6 and 12 months, which is critical to ensuring that the participants had an opportunity at permanent employment, and that their placements were not simply temporary or seasonal jobs. The committee recommends that DOES work with the committee to ensure that data reported on the program is both complete and accurate.

While many Project Empowerment participants are placed into a subsidized job, some are referred to occupational skills training (see table below). The committee

⁷² Available at <https://oca.dc.gov/sites/default/files/dc/sites/oca/publication/attachments/DOES19.pdf>.

⁷³ Department of Employment Services, Project Empowerment Program, Current Participant FAQs, available at <https://does.dc.gov/page/current-participant-faqs-0>.

recommends that prospective Project Empowerment participants that are interested in occupational skills training should be enrolled in federally funded programs; DOES could use its local funding to serve additional District residents in need of employment. This would be a more efficient use of limited resources.

Many of the providers listed below also provide federally funded occupational skills training to District residents. As discussed at DOES’s budget hearing, the District has had a hard time spending down federal Workforce Innovation and Opportunity Act (WIOA) funds and is about to receive a 30 percent increase in these funds in the program year that begins on July 1, 2019. At the budget hearing, the DOES director stated that she didn’t want to tinker with the program model and that the four-week life skills class at the beginning of the program was critical. The committee agrees that these services are important, but those services could either be provided with federal funds alone, or the program could blend local and federal funds.

FY 2018 Project Empowerment Participant Credentials		
Vendor	Credential	Total
CC Prep	Microsoft Certification	21
Goodwill of Washington	Special Police Officer	3
Westlink	EMT certification	3
SOME	HVAC Training	4
UPO	CDL	5
1ST CDL Training Center of NOVA	CDL	5
Community Forklift	Forklift Operation	2
DC Central Kitchen	Food Handlers License	4
		47

FY 2019 (to date) Project Empowerment Participant Credentials		
Vendor	Credential	Total
Georgetown University	Paralegal Certification	10
CC Prep	Microsoft Certification	9
1st CDL Training Center of NOVA	CDL	3
		22

The director also expressed a concern about WIOA’s eligibility and documentation requirements, which she described as onerous and an impediment to utilizing federal funds. The committee recommends that DOES work with prospective participants and any other agencies and organizations to which the individuals are connected to obtain, gather, and submit the requisite documentation in order to utilize federal funds for as many people as possible. The committee recognizes this will not work for everyone; however, as the Department stated regarding similar questions about its year-round youth program: “To

date, DOES has not turned away any youth in need of documents. DOES helps youth in need of support to obtain documents in order to begin programming.”⁷⁴

9. Be transparent about the formula and process to distribute WIOA funds to the Workforce Investment Council (WIC)

DOES is the fiscal agent for federal WIOA funds. These funds include both state-level and local-level funds in WIOA Title I, which encompasses the Adult, Youth, and Dislocated Worker funding streams. Some of these funds are provided to the Workforce Investment Council (WIC) to meet its responsibilities as a state and local board under the auspices of WIOA. The committee is concerned that the determination by DOES of how much funding to provide to the WIC for its services under WIOA is not transparent and is not based on a specific formula. This is discussed in further detail in the WIC Chapter (Chapter II.K.2). For instance, the FY 2017 MOU between DOES and the WIC stated that DOES agreed to transfer \$797,000, which “equates to 60 percent of the State set-aside for federal program year 2016,” according to the MOU text; however, the amount actually equated to 29 percent.

The committee recommends that DOES and the WIC, along with the Deputy Mayor for Education, work to establish a fair formula that provides the WIC adequate resources to meet all of its responsibilities.

10. Work with the One-Stop Operator and the WIC to enable them to conduct their work at the AJCs, as required by WIOA

A central element of any state’s or jurisdiction’s workforce development system is the American Job Centers (AJCs), or “one-stop centers.” The District has four such centers. They are operated by DOES, but under WIOA, the WIC has responsibilities as both a state and local board for ensuring the optimal functioning of AJCs and continually improving them. AJCs are dual-customer, helping both jobseekers to find employment and businesses to find qualified workers.

WIOA requires that AJCs have a one-stop operator (OSO). WIOA also requires that local workforce boards (the WIC, in the District) work for “continual improvement” at the AJCs. In the District, because the AJC staff provides direct services, the OSO’s role is largely to coordinate services, as well as to help the WIC provide oversight of the AJCs by analyzing service delivery quality, collecting data on AJC and programmatic performance, making recommendations for continuous improvements, and reporting to the WIC board on these items. In late 2017, the WIC contracted with the firm DB Grant Associates to serve as the One-Stop Operator (OSO) for the District’s AJCs, which are run by DOES.

⁷⁴ “Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” February 15, 2019, p. 42, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

Unfortunately, in 2018 the OSO was unable to fulfill many of its contract deliverables. As discussed in its nine-month progress report, it made numerous requests for data and information to the AJC managers and DOES leadership, but these requests were not approved.⁷⁵ The WIC has been working to establish clearer lines of responsibility among the three parties. The committee recommends that in the future, DOES provides the information and data that the WIC and OSO need to do their jobs. This will only help to improve functioning of the AJCs by helping to identify service trends, gaps, room for improvement, and more.

11. Improve customer service

In October 2017, DOES released a customer service “Bill of Rights.”⁷⁶ However, the WIC’s Implementation committee conducted a secret shopper report of the AJCs, which found that individuals were not provided the services they needed, and numerous residents have made similar complaints to the committee regarding several areas of the Department. The DOES director has stated that customer service is one of her key priorities. The committee commends the director for her desire to focus on this area and recommends that she review the entire Department’s commitment to customer service and quickly implement any necessary reforms.

12. Continue to expand registered apprenticeship in non-construction fields and improve tracking of data

Registered apprenticeship is the gold standard for job training. The committee commends DOES on expanding the number of registered apprenticeship programs in the District, including several in information technology. The District has several other high-demand industry sectors that lack registered apprenticeship programs. The committee recommends that the Department continue to expand the number of registered apprenticeship programs in non-construction fields, especially healthcare.

The committee has had concerns about the data DOES has reported regarding the registered apprenticeship program, particularly regarding the number of apprentices. DOES tracks the number of apprentices but it doesn’t specify how many of these are currently active in their programs, leading to the reporting of artificially high figures. DOES has told the committee that it will soon be using the federal Registered Apprenticeship Partners Information Management Data System (RAPIDS) apprenticeship data system, which it believes will lead to higher-quality data. The committee recommends that DOES keep the committee apprised of its programs in transitioning to the RAPIDS system and when it expects to be able to report accurate data.

⁷⁵ Grant Associates, “DC One-Stop Operator Nine-Month Progress Report 9/15/17-6/15/18,” p. 286 of the attachments to the WIC’s FY 2019 performance oversight responses, available at <http://dccouncil.us/wp-content/uploads/2019/02/wicatt.pdf>.

⁷⁶ Available at <https://does.dc.gov/page/bill-rights>.

13. Implement recommendations from the independent evaluation of the DC Career Connections program

According to a recent independent evaluation of the DC Career Connections program, of people who started the program before April 2016, only 29 percent of participants were employed in the quarter after completing the program. The committee recommends that DOES implement the evaluation's recommendations to incorporate skill-based assessments to track participants' growth in behavioral and skills gains as well as improve the matching process between participants and host employers for subsidized employment placements.

14. Improve transparency of grantmaking and contracting

Each year, thousands of District residents receive occupational job training through DOES. The Department does not employ in-house trainers; every participant is trained by an outside vendor that has received a grant or contract from DOES. Therefore, the committee believes it is imperative that each of DOES's grant and contract processes lead toward funding the highest-quality providers.

a. Solicit grants and contracts in a transparent manner

The committee often sees solicitations for grants and contracts that are open for a short window of time. This raises questions about the award selection process. As one recent example, DOES released a Request for Applications (RFA) on April 10, 2019, for a series of workforce intermediary initiatives, and a Letter of Intent had to be submitted two days later.⁷⁷ The committee recommends that grant RFAs be open for at least 30 days and that if a letter of intent is required, the deadline should be at least 21 days after the release of the RFA. See the relevant Budget Support Act subtitle proposal in Chapter III.B.3. While there may be some circumstances in which it may be legally permissible for a contract solicitation to be open for only three days, the committee sees no circumstances under which the Department would need to award a workforce development contract that quickly. The committee recommends that DOES keep all contract solicitations open at least 21 days.

b. Share the results of grantee monitoring with the Council

DOES completes performance evaluations and monthly status reports for each of its grantees. The committee recommends that these documents be shared with the Council to increase oversight of the expenditure of taxpayer dollars. Moreover, the agency is prohibited under law from withholding these sorts of documents. See the relevant Budget Support Act subtitle proposal in Chapter III.B.3.

⁷⁷ DC Department of Employment Services Workforce Development Bureau, "2019 Intermediary Initiative" Request for Applications, April 10, 2019, p. 3, available at <https://opgs.dc.gov/sites/default/files/dc/sites/opgs/publication/attachments/2019%20RFA%20-%20Workforce%20Intermediary%20Initiatives.pdf>

c. Develop and widely disseminate a grant and contract schedule

District residents, community-based organizations, training providers, and other partner entities don't know when DOES is going to put out solicitations for grants and contracts. An annual schedule would enable all of these parties to prepare, which would likely lead to DOES serving more people with a higher-quality, more diverse group of providers. At her confirmation hearing in November 2018, when asked, the DOES director expressed an interest in establishing an annual grant schedule.⁷⁸ The committee strongly recommends that DOES establish such a schedule for both grants and contracts schedule for FY 2020.

When solicitations are released, it is often difficult for the general public to know about these opportunities, as RFAs (for grants) and Requests for Proposals (for contracts) are not widely disseminated. However, DOES should advertise all its grant and contract opportunities via the Department's website, social media, email, and any other methods DOES uses to reach constituents. This will help expand the range of applicants as well as help the public to understand DOES's plans and activities. See the relevant Budget Support Act subtitle proposal in Chapter III.B.3 regarding grants.

d. Work with the Office of Contracting and Procurement to ensure that the District is paying fair market prices for training

The Executive could serve more District residents if it ensured that it wasn't overpaying for training. For example, in DOES's Pathways for Young Adults Program, four training providers were each awarded precisely \$5,000 per participant even though the offerings varied from information technology to barbering to unarmed security guards. It is unlikely that it costs precisely \$5,000 to train youth in each of the 16 occupations listed in the table below.

⁷⁸ Committee on Labor and Workforce Development, "Report on PR22-0982 - Director of the Department of Employment Services Unique Morris-Hughes Confirmation Resolution of 2018," November 26, 2018, p. 14, available at <http://lims.dccouncil.us/Download/40859/PR22-0982-CommitteeReport1.pdf>

DOES Pathways for Young Adults Program (PYAP), 2018-2019

Training Provider, Contract Number	Trades	CLIN 0001 Occupational Training	CLIN 0002 Work Readiness Training	CLIN 0003 Internship Training	Total per Participant
Toni Thomas CW54412	Medical Office Administrative Assistant; Commercial Drivers License (Class B); Unarmed Security Guard	\$4,000	\$500	\$500	\$5,000
Contemporary Family Services CW54431	Barbering; Cosmetology; Culinary Arts; Electrical Technician; HVAC; Plumbing; Hospitality; Photography/Videography	\$3,000	\$1,000	\$1,000	\$5,000
Nai Xander CW54438	Laborers; Electrician Helpers; HVAC helpers; Plumbing assistants; Concrete and pavement; Cabling; and more	\$2,575	\$1,200	\$1,225	\$5,000
Community College Prep Academy CW54424	CompTIA Help Desk	\$3,500	\$500	\$1,000	\$5,000

Source: see hyperlinked contracts in the table

Federally funded training programs for adults often cost widely different amounts for the training in the same occupation or for the same certification. For example, four different vendors provide CompTIA Network+ training and the tuition costs \$1,000 at ITC Technologies; \$1,045 at Urban Ed; \$3,792 at Vets Group; and \$4,000 at Toni Thomas. Two vendors provide Home Health Aide training and the tuition costs \$1,560 at Healthwrite; \$4,000 at OIC.⁷⁹

While the Office of Contracting and Procurement (OCP) is responsible for conducting market research to determine the price reasonableness of contracts, as the steward of the city’s workforce training dollars, DOES also has a responsibility to ensure that the District isn’t overpaying for services. This will allow for as many residents as possible to be served. The committee therefore recommends that DOES work with OCP to ensure that the District is paying fair market prices for training.

⁷⁹ “DOES Responses to the FY 2018-2019 Performance Oversight Questions from the Committee on Labor and Workforce Development,” February 15, 2019, Attachments Part 2, p. 48, available at http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part2.pdf

LABOR STANDARDS

1. Improve the wage-hour complaint process

The Office of Wage-Hour Compliance (OWH) is tasked with ensuring that employers follow the District’s labor laws. Currently, when an employer carelessly or willfully breaks the law – for example, by telling a worker that she cannot be absent from work to care for a sick parent – the burden of discovering and rectifying the issue is overwhelmingly on the shoulders of the worker. Workers risk disdain, discipline, or worse when asking DOES to investigate their employer, so the agency has to eliminate any stage of the process that can hinder a complainant from coming forward. With the input of workers and their advocates, the committee has identified several obstacles that workers face when bringing their cases to DOES. Three key obstacles – notarization requirements, overly complicated forms, and lack of communication – can and should be fixed immediately.

a. Remove notarization requirements

First, the complaint form states, “Be advised that your claim will not be processed if any of the above required sections are incomplete or if your claim is not accompanied by the notarized assignment form.” The agency informed the committee through its written responses to performance oversight questions that only a portion of all wage-hour complaints truly need to be notarized.⁸⁰ In those cases, the agency should provide notary services on site.⁸¹ This cost would be minimal but streamline the complaint process for claimants. We recommend that the agency’s standard procedures be revised to eliminate the notarization requirement from the complaint filing process and that the complaint form be revised accordingly.

b. Revise and streamline the wage-hour complaint form

The OWH complaint form continues to be identified by complainants and advocates as a hurdle to getting help from DOES.⁸² It should be revised for readability and to streamline the intake process. In January 2019, the committee shared this and other specific feedback on the form with the agency; DOES noted that it was working with The Lab, a project within the Office of the City Administrator that works to improve government, to adopt some of these recommendations. For example, the recommendations noted that the use of terms such as “paid time off policy,” “vacation policy,” and

⁸⁰ “Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” February 15, 2019, p. 15, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

⁸¹ An online search of Notary Public locations resulted in 1,599 notary public locations in the vicinity of the Department of Employment Services and one located at 4058 Minnesota Avenue, NE; see http://opendata.dc.gov/datasets/382f2c412b3341b0a819dddbc2fa59ca_8/data

⁸² See, e.g., Testimony of Daniel Katz, Washington Lawyers’ Committee for Civil Rights and Urban Affairs, at the Performance Oversight Hearing for the Department of Employment Services, February 27, 2019.

“independent contractor” are subject to interpretation and could mislead a complainant into providing inaccurate responses. The committee also heard from advocates that the form was difficult to find on the DOES website and not easily accessible via mobile devices. The recommendations also noted that requesting even a partial Social Security number, as the complaint form does, could dissuade those who lack one due to immigration status from filing a complaint. The form is also difficult to read because it includes both English and Spanish instructions in red and black ink.

c. Gather complaint specifics in intake interviews rather than on the written complaint form

At eight pages long, the complaint form asks many questions that do not apply to every worker who brings a complaint and which could reasonably be obtained during the course of an intake interview instead.⁸³ For example, the form asks about payments the employee may owe to their employer. The committee recommends that the complaint form be streamlined and that more complicated or unique scenarios such as payments owed to employers be addressed during intake interviews with complainants, rather than laid out on the form. One possible model is the two-page form used by the Office of Human Rights to receive employment-related claims which also offers separate forms in Amharic, Chinese, French, Korean, Spanish, and Vietnamese.⁸⁴

The complaint form used by the OWH also requires the individual completing the form to swear “under penalty of perjury” that the information they have provided in their complaint is true and accurate. District area workers may not understand all of their rights, and therefore are susceptible to writing inaccurate information on the form as a result of plain ignorance, not bad intent.⁸⁵ This requirement can dissuade complainants but also could be used to undermine or contradict their testimony in a subsequent fact-finding conference or administrative hearing. A better practice would be for the agency to gather this information during its initial conversations with the worker and only obtain a sworn statement once the investigator understands the complainants’ allegations more thoroughly or when the complainant is represented by an attorney.

d. Proactively communicate with complainants

Finally, OWH must improve its communications with complainants. The committee has heard from numerous witnesses and advocates, in testimony as well as direct contact with the office, who have said that they did not hear back from OWH after filing a

⁸³ While this recommendation would increase the workload for OWH complaint specialists, the division expects to fill five additional FTE positions in FY 2020 which would enable OWH to handle its case load with no decrease in overall division performance.

⁸⁴ See Employment Intake Questionnaire, available at:

https://ohr.dc.gov/sites/default/files/dc/sites/ohr/publication/attachments/RevEmploymentQuestionnaire_102615_Interactive.pdf

⁸⁵ D.C. Just Pay Coalition, Making Our Laws Real, May 2018, available at <http://www.dcyjw.org/wp-content/uploads/2018/04/LawsReal.pdf>

complaint, or that months go by without any contact.⁸⁶ Upon receiving a complaint, OWH should confirm its receipt via email and provide the complainant with their case number and contact information for the assigned compliance specialist. OWH should make sure its electronic system captures all submitted documents and transmits them to the compliance specialist and that errors in transmission of documents are addressed immediately.⁸⁷ OWH must also set realistic expectations early in the process about how long a claim could take to resolve and stay in regular communication with complainants about the status of their cases. This will help these workers stay engaged in the process so that they can provide useful information to the agency when needed, as well as ensure that compliance specialists are alerted to any bad behavior on the part of employers under investigation. These improvements will assure District residents and the committee that DOES is accomplishing its mission to empower fair, safe, effective working communities.

2. Conduct workplace-wide investigations and penalize employers that violate foundational provisions of our worker protection laws

DOES must use all of the tools in its toolbox to protect District workers from employers that fail to comply with District labor standards. The agency has a positive track record of providing employers with webinars, written materials, and other support so that they can easily comply with applicable laws. Unfortunately, some employers will violate the law until there is a financial incentive to change their ways.⁸⁸

Investigating and resolving complaints individually, as is the agency's current practice, can make a worker whole after their rights have been violated and set many employers on the right track. However, in instances where an individual worker brings forth a credible complaint regarding a failure to follow the core tenets of a law – for example, the requirement to pay workers on time, to pay a minimum wage, or to allow for sick leave – the agency must require that the employer demonstrate its compliance across the workplace. Fortunately, employers have a legal obligation to maintain at least three years' worth of records of employee hours, wages paid, and related information.⁸⁹ Employers that fail to provide these records to the agency must – at a *minimum* – be penalized for recordkeeping failures in order to discourage future noncompliance and to enable the agency to investigate future claims of violations.⁹⁰

⁸⁶ Testimony at the Performance Oversight Hearing on the Department of Employment Services (DOES) Feb. 27, 2019, available at: <http://dccouncil.us/video-archive/> by searching “Labor Committee February 27th 2019.”

⁸⁷ Some complainants have informed the Committee that even after attaching numerous supporting documents to a claim online, the investigator who reviews their claim has none of those materials and the complainant must send them again.

⁸⁸ David Weil, “Improving Workplace Conditions Through Strategic Enforcement,” Section IV, May 2010, available at <https://www.dol.gov/whd/resources/strategiceenforcement.pdf>.

⁸⁹ See, e.g., D.C. Code § 32–1008(a)(1) providing: “Every employer subject to any provision of this subchapter or of any regulation or order issued under this subchapter shall make, keep, and preserve for a period of not less than 3 years or the prevailing federal standard at the time the record is created, which shall be identified in rules issued pursuant to this chapter, whichever is greater...”

⁹⁰ D.C. Code § 32–1010.

Similarly, employers that fail to respond to complaint notices and notices of violation must be held responsible for this failure. The agency has pointed to employer non-responsiveness as a reason why some complainants experience long delays or never get a resolution to their claim. The District should always proactively identify potential bad actors by using commercially available investigative databases and other District resources, such as business registration information, to ensure that notices of complaints are served on the proper party.⁹¹ Upon verifying that service was proper, the agency must exercise its authority to penalize employers who fail to respond promptly. Not responding to a complaint may be an employer's strategy to avoid having to answer for bad practices; the agency should not implicitly endorse this through inaction. DOES should also collaborate with the Office of the Attorney General to ensure that penalties and damages are collected from employers where the allegations were deemed admitted due to their failure to respond to a complaint or otherwise validated.⁹² Finally, licensed businesses that are out of compliance with wage hour laws should be flagged and DCRA should be notified so the employer has to pay outstanding wage-hour back pay and penalties owed before being issued a license renewal.⁹³

3. Outreach regarding wage and hour laws must better address the rights of District worker.

Employers and workers' knowledge and concerns are different. For example, an employee wants to understand what constitutes a violation of his or her rights, how to file a complaint, and the stages of the complaint process, while an employer is more attuned to drafting and implementing its workplace policies and avoiding penalties for noncompliance. OWH must work to ensure that its outreach strategy better reflects and addresses the unique concerns of workers.

In 2018, DOES successfully held 26 online and in-person outreach events for businesses, workers, and District agencies.⁹⁴ Half of these focused on business needs, while the rest were directed at a more general audience. Only about 1,000 people were reached in 2018 and the committee understands that it was mostly through tabling at a community

⁹¹ Sending a notice of complaint or notice of violation to the wrong address or without adequate time for the employer to respond could be deemed "improper service," meaning that the agency denied the employer the right to respond to and contest the allegations against them, the remedy usually being that the agency must begin the process again and re-send the notice that was not properly delivered. *See generally* <https://www.uscourts.gov/about-federal-courts/types-cases/civil-cases>.

⁹² D.C. Code § 32-1308.01(c)(6) provides that the allegations in the complaint shall be deemed admitted by the employer if they have not responded to the agency within 20 days of being served with notice of the charges and that the agency shall issue an initial determination directing the employer to pay the complainant what is owed.

⁹³ D.C. Code § 32-1308.01 (h); See also Testimony of Daniel A. Katz at the Performance Oversight Hearing on the Department of Employment Services, February 27, 2019.

⁹⁴ "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Attachment Q051, February 15, 2019, available at: http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part2.pdf.

events such as the Chinatown Community Festival.⁹⁵ These events are a good start, but DOES has been unable to show that they led to any increase in complaints filed with the agency.⁹⁶ The committee is encouraged that OWH tried to increase outreach to workers by issuing grants to two organizations in 2018, the Ethiopian Community Center and Veterans Enterprise Group, but more can be done.

At hearings held by the committee in 2018 and 2019, worker advocates testified that their clients often do not know that there is a minimum wage they must be paid, the parameters around overtime payments, or their entitlement to sick leave.⁹⁷ The agency should endeavor to engage workers more deeply through longer, more focused trainings that explain workers' rights and how to resolve a violation of those rights through the Department. One model is the Know Your Rights trainings held by the Office of Human Rights, which held approximately eleven such sessions in 2017.⁹⁸ The committee recommends a BSA subtitle, the Wage and Hour Education Grants Program Act of 2019, to provide guidance to the agency about how to accomplish this (see Chapter IV.B.4). The committee is also eager to see the agency implement some of the best practices identified by other jurisdictions with which DOES has met at national conferences.⁹⁹ For example, Connecticut, Seattle, and New York City collaborated with local nonprofits, business improvement districts, and chambers of commerce, and tapped into existing volunteer networks to support public education efforts.¹⁰⁰ Through these more focused outreach efforts, DOES will help empower more workers to bring noncompliance to the agency's attention and improve its overall ability to protect workers.

4. Newly required tipped worker protections should be implemented efficiently

FY 2020 marks the enactment of District Law 22-196, the Tipped Wage Workers Fairness Amendment Act of 2018. Although the committee and its Chair disagreed with the underlying purpose of the law, which repealed a voter initiative to increase the sub-minimum wage paid to tipped employees, section 3 directs DOES to create a new, eye-

⁹⁵ Id.

⁹⁶ According to the agency's response to performance oversight questions, the agency received about ten more complaints per month in FY 2018 than in the previous fiscal year while increasing full-time and contract workers by five FTEs. See "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Attachment Q042, February 15, 2019, available at: http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part2.pdf.

⁹⁷ See, e.g., Testimony of Matt Fritz-Mauer at the Performance Oversight Hearing on the Department of Employment Services (DOES), February 27, 2019.

⁹⁸ Office of Human Rights, "Still Standing Strong: Celebrating 40 Years of the DC Human Rights Act," page 10, available at:

https://ohr.dc.gov/sites/default/files/dc/sites/ohr/publication/attachments/OHR%20AR%2017_090618_FIN_AL_0.pdf

⁹⁹ See, e.g., Testimony of Tanya Goldman, Center for Law and Social Policy at the Budget Oversight Hearing on the Department of Employment Services (DOES), April 18, 2018, available at <https://www.clasp.org/publications/testimony/comments/testimony-dc-council-budget-oversight-hearing-labor-and-workforce>

¹⁰⁰ Center for Law and Social Policy, "Implementing Earned Sick Days Laws," updated November 3, 2014, available at: <https://www.clasp.org/sites/default/files/public/resources-and-publications/files/Implementation-top-tips-earned-sick-days.pdf>

catching poster summarizing employees' many legal protections under District laws, to create a website with worker rights information, and to launch a public education campaign. The committee recommends funding this section of the law. Additionally, the committee recommends a BSA subtitle to shape the information on the poster-- such as using lay language instead of statutory titles, ensuring it is completed within six months of the start of the fiscal year, including contact information for DOES and the Office of the Attorney General, and other enhancements (see Chapter IV.B.5) The agency should engage with advocates during the process of developing the poster, website, and public outreach campaign on the rights of tipped workers in order to ensure that the maximum possible number of tipped workers are reached and that the materials and information are useful to workers and the public.

L22-196 also makes changes to the existing portal used by employers to report the wages paid to tipped workers and to certify that tipped workers have been paid the full minimum wage when accounting for tips. The law requires that beginning in January 2020, third-party payroll businesses submit employers' quarterly reports, rather than employers, with the exception of hotel employers, which may continue to submit their own reports. This will reduce burden on employers as well as enable tips to be reported simultaneously with payroll information, which will hopefully reduce opportunity for submitting incorrect or false information. The committee recommends that DOES work closely with payroll companies to ensure they have the information and technical specifications they need to begin making these reports at least several months before the January 2020 effective date.

5. DOES should work with the Office of Administrative Hearings (OAH) to ensure that administrative hearing decisions are posted online for most cases

The District's Freedom of Information law provides that certain records are "public information" and do not require a written request for information.¹⁰¹ Final opinions and orders made in the adjudication of cases are among the records that qualify as public information. However, DOES does not provide access to final orders in unemployment insurance or wage-hour adjudications on its website. The committee strongly recommends that the agency work with OAH to rectify this. Providing information to the public about the legal and factual details underlying administrative decisions will serve as useful guidance for prospective claimants and respondents. OAH regularly posts final orders for nine agencies, including the Department of Health and the Metropolitan Police Department. The added level of transparency will streamline the process for all parties bringing claims to OAH, as well as help to build public trust in DOES and District government.

¹⁰¹ D. C. Code §2-536(a)(3)

UNEMPLOYMENT INSURANCE

1. Prioritize staff training in order to avoid errors that harm workers

DOES administers the District's unemployment compensation, or "unemployment insurance," program. Unemployment insurance (UI) was created to enable workers to pay for the necessities of life while conducting a job search after losing a job through no fault of their own. When DOES's initial review of a claim for benefits determines that a worker is not eligible, that worker can appeal the decision to the Office of Administrative Hearings (OAH). According to the agency's own performance oversight data, in FY 2018, approximately 50 percent of OAH appeals by workers denied benefits by an agency determination resulted in a reversal directing the agency to disburse unemployment funds to the worker.¹⁰² As discussed at the 2019 performance oversight and budget hearings, this high rate of reversal suggests that the agency's determinations are too often inaccurate and that claims examiners within the division lack adequate training to properly assess claims.

It is extremely disconcerting that the agency Director declined to acknowledge these shortcomings at the agency's April 24, 2019, budget hearing. The committee is encouraged to learn that DOES had developed a training plan and revised internal procedures to help examiners evaluate claims more accurately and consistently.¹⁰³ Although establishing a two-step claims review process, as detailed in the 2019 State Quality Service Plan (SQSP), could be one mechanism for ensuring accurate review, the approach should be modified. Instead of claims examiners at the same level of experience or knowledge reviewing each other's work, every claims examiner's first determination about a claim should be reviewed by a supervisor until that claims examiner has demonstrated that their determinations are infrequently overturned on appeal at OAH. Once a claim has been determined and appealed, the reasons for all successful appeals should be communicated back to supervisory personnel so they can implement remedial training for claims examiners who need it. The agency should also prioritize filling its existing vacancies so that it is working at maximum capacity at least until incumbent staff are able to achieve a higher level of accuracy in claims determinations.

2. Process OAH claim reversals within three business days and transmit documents electronically

DOES must process UI benefit payments within three business days of the Office of Administrative Hearings (OAH) determining that a worker is eligible for benefits. At last year's performance oversight hearings, worker advocates explained that it can take two

¹⁰² "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," February 15, 2019, p. 58-59, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

¹⁰³ "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Attachment Q137, February 15, 2019, available at: http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part3.pdf.

weeks or longer for the agency to process a worker's payment after OAH issues its order.¹⁰⁴ This is an unnecessarily long time frame for a worker who has likely waited *months* since becoming unemployed to receive benefits: a one week waiting period (as statutorily required),¹⁰⁵ up to 21 days during which the agency reviewed the claimant's qualification for benefits, days or weeks to receive a determination and file an appeal of the denial of benefits, and up to four weeks to obtain a hearing date from OAH and ultimately receive a final order. This extended delay can be devastating to a worker who is staring down a deadline by which to pay the rent, a mortgage, or car insurance. The delay, which could spiral a household into eviction or homelessness, could be costly to the District as well.

The agency's policy that payments may be processed "within fifteen days of final orders' issuance" is unacceptable.¹⁰⁶ Such a delay is contrary to the purposes of the unemployment law, which aims to relieve the financial stress caused by unemployment and to promote reentry to the workforce. In the past, the agency has processed these payments in as little as two or three business days.¹⁰⁷ Also, final orders from OAH should be transmitted to DOES electronically in every instance unless there is a documented legal justification for the delay. The agency indicated that it may rely on a courier service or DOES employee to carry the hard copy final order file to DOES.¹⁰⁸ The committee urges DOES to employ email and internet technology in order to help workers receive their payments as soon as possible. District workers who have long contributed their taxes to this city should be able to rely on a timely and fair unemployment check when they lose a job through no fault of their own.

¹⁰⁴ See, e.g., Testimony of Richard Feen at the Budget Oversight Hearing on the Department of Employment Services (DOES), April 22, 2019; see also, Testimony of Drake Hagner and Tonya Love at the Performance Oversight Hearing on the Department of Employment Services (DOES) Office of Unemployment Compensation, March 7, 2018, available at: <https://www.legalaiddc.org/wp-content/uploads/2018/03/Legal-Aid-FY17-18-Performance-Oversight-Testimony-re-DOES-FINAL.pdf>; among others.

¹⁰⁵ D.C. Code § 51-109.

¹⁰⁶ Odie Donald II, "Memorandum: Standardization of Processing Time for Unemployment Insurance Determinations Reversed by the Office of Administrative Hearings," August 14, 2017.

¹⁰⁷ Testimony of Drake Hagner and Tonya Love at the Performance Oversight Hearing on the Department of Employment Services (DOES) Office of Unemployment Compensation, March 7, 2018, available at: <https://www.legalaiddc.org/wp-content/uploads/2018/03/Legal-Aid-FY17-18-Performance-Oversight-Testimony-re-DOES-FINAL.pdf>;

¹⁰⁸ "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," February 15, 2019, p. 65, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

3. FY 2020-2025 CAPITAL BUDGET

Project No	Project Title	Fund Detail	Fund	Allotment Scenario	Available Allotments (3-19-19)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	6-yr Total	
DEPARTMENT OF EMPLOYMENT SERVICES (CFO)													
PFL08C	PAID FAMILY LEAVE IT APPLICATION	304	Short-term Bonds	Available Balances	22,832,700	0	0	0	0	0	0	0	
				FY19-24 Approved CIP	0	0	0	0	0	0	0	22,961,000	
				Mayor's Proposed FY20 Change	0	21,041,000	0	0	0	0	0	(1,920,000)	
					Committee's FY20 Recommendation	0	0	0	0	0	0	0	0
		314	Restricted Paygo	Available Balances	16,793,187	0	0	0	0	0	0	0	0
			Committee's FY20 Recommendation	0	0	0	0	0	0	0	0		
PFL08C Total					39,625,887	21,041,000	0	0	0	0	0	21,041,000	
SNTRCC	DC INFRASTRUCTURE ACADEMY	300	GO/IT Bonds	Available Balances	2,750,000	0	0	0	0	0	0	0	
				FY19-24 Approved CIP	0	4,750,000	0	0	0	0	0	7,500,000	
				Mayor's Proposed FY20 Change	0	0	0	0	0	0	0	(2,750,000)	
		301	Paygo	Committee's FY20 Recommendation	0	0	4,300,000	4,300,000	4,300,000	0	0	0	12,900,000
SNTRCC Total					2,750,000	4,750,000	4,300,000	4,300,000	4,300,000	0	0	17,650,000	
UIM02C	UI MODERNIZATION PROJECT-FEDERAL	300	GO/IT Bonds	Available Balances	4,095,856	0	0	0	0	0	0	0	
				FY19-24 Approved CIP	0	4,000,000	0	0	0	0	0	11,844,271	
				Mayor's Proposed FY20 Change	0	12,762,296	7,450,000	0	0	0	0	12,368,025	
		304	Short-term Bonds	Available Balances	5,328,070	0	0	0	0	0	0	0	0
				FY19-24 Approved CIP	0	4,000,000	0	0	0	0	0	0	11,844,271
350	Federal HTF	Available Balances	6,639,899	0	0	0	0	0	0	0	0		
UIM02C Total					16,063,825	16,762,296	7,450,000	0	0	0	0	24,212,296	
CFO Total					58,439,712	42,553,296	11,750,000	4,300,000	4,300,000	0	0	62,903,296	

The Mayor's proposed budget for DOES includes \$42,553,296 in new capital funds for FY 2020 with a six-year total for FY20-FY25 of \$50,003,296 in new funds. The capital improvement plan includes \$55,344,059 in unspent allotments and a total of \$105,347,355 in available funding.

Committee Analysis and Comments

1. Increase DC Infrastructure Academy project PAYGO by \$4.3 million in each FY 2021, 2022, and 2023

The committee recommends increasing the PAYGO budget for the DC Infrastructure Academy project in FY 2021, 2022, and 2023, using the formerly recurring operating funds from the programs listed in the Operating Budget Recommendation #1. The committee recognizes the value of having an infrastructure academy, especially one located East of the Anacostia River. However, the committee is concerned the administration lacks a coherent vision for the Academy (see related policy recommendation in section 2 of this chapter). For example, the Academy already has a small capital budget to improve its dilapidated home, the former Wilkinson Elementary School, but the budget is likely too small to significantly renovate the building. Therefore, while the committee is converting a portion of the program's operating funds from recurring to one-time funds, the committee also recommends providing additional capital funding to the project in the outyears. Specifically, the committee recommends adding \$4.3 million in each of the three outyears in the budget, for a total of \$12.9 million over the three years. This additional capital funding should ensure the District can properly renovate the Academy's building, but at a pace that allows the District enough time to create a better plan for how to operate the Academy over the coming years.

2. *Provide a detailed analysis or spending plan for the \$21 million increase in capital funding in FY 2020 for the Paid Family Leave IT application*

As noted in the policy recommendations, the Council allocated \$40 million in capital funding for the procurement and development of an IT system for the city's landmark paid leave law. The Mayor's proposed FY 2020 budget not only retained that initial funding, it increased the proposed funding by just over \$21 million; bringing the total cost of the project to \$61 million. While this committee and its chair share DOES' commitment to building and completing an IT system in accordance with the law, there is some question as to how the agency reached an estimated amount of \$61 million. Just prior to the release of the budget, the District awarded a contract to Sagitec Systems, LLC for the building of the tax IT system for approximately \$4.7 million. With this award, the paid leave capital project now has a total proposed balance of \$56.3 million to build the benefits IT system.

The committee has noted in this report, and in multiple hearings with DOES, that Washington state, which is in the process of implementing its own paid leave law, entered contracts totaling approximately \$30 million for the building and development of its *entire* IT system. When pressed on the cost, DOES was unable to fully explain why the District's proposed paid leave IT system needed more than twice the amount spent in Washington state. Based these factors, this committee recommends that DOES provide a detailed analysis of why it believes it needs an additional \$21 million in FY 2020. Additionally, it is worth restating that this committee hopes the agency is judicious in its spending and transfers any additional unspent PayGo funding into the paid leave program for the administration and management of the benefits program.

3. *Swiftly complete the agency's capital project to modernize UI information technology systems and submit UI modernization project plans to the committee*

DOES has undertaken a modernization capital project for the unemployment insurance information technology (IT) systems used by employers, unemployed workers, and agency staff. The committee agrees that modernizing this IT is imperative, but shifting timelines, changing budgets, a lack of a detailed spending plan, contradictory information, and little progress to date do little to reassure the committee that the capital project will be completed soon or done well. DOES should create and deliver a detailed project plan for the UI modernization project to the committee immediately, in order to clarify how the project will unfold and to justify the planned spending.

The project was first funded in 2012.¹⁰⁹ Estimated full funding costs according to the Capital Improvement Plan have ballooned over the years: The budget started at \$18 million in FY 2012, rose to \$34 million in FY 2018, \$38 million in FY 2019, and now is \$45 million. The project includes \$7 million in federal funds that were received in 2013.¹¹⁰ The agency did not begin work until FY 2016; since then, the agency has only spent about

¹⁰⁹ Government of the District of Columbia, "FY 2020 Proposed Budget and Financial Plan, Volume 5," detail page for "CF0-UIM02-UI MODERNIZATION PROJECT-FEDERAL".

¹¹⁰ Id.

\$6 million of the total (which includes only \$360,100 in federal funds), and it does not appear that any elements have been completed.

There are two main stages of the project: first, improving the benefits front-end (claimant portal) and benefits back-end systems (used by the agency); and second, redoing the tax system back-end (used by the agency).¹¹¹ The information provided in the agency's responses to the committee's performance oversight questions in February 2019 did not align with the timetable provided by the agency in its Corrective Action Plan.¹¹² In the oversight responses, the agency stated that its UI claimant portal would be completed by July 2019 and that the UI "benefits improvement" function would not be done until December 2021.¹¹³

The committee has since learned that the claimant portal project is delayed. It is not clear to the committee if or why a new contract is necessary. The agency has already entered into a contract with the current benefits-side maintenance contractor for an extensive series of enhancements, which include redoing the claimant portal, converting and migrating data, and engaging subject matter experts under a contract valued at up to \$18.3 million.¹¹⁴ The committee has consulted with IT experts whose analysis is that this should be the entirety of the functions that would be part of a UI benefits-side modernization project. Meanwhile, even after repeated questions at the budget hearing, the agency has not made clear what more there would be to do after the already contracted work is complete.

On the tax side, the agency issued an RFP to modernize the back end of the tax system in November 2017 with a bid deadline of December 2017, but it was subsequently withdrawn and reissued in October 2018.¹¹⁵ No contract has been awarded, although the agency director testified at the DOES budget hearing that the bids have undergone technical evaluation and the contract could be awarded soon.

The agency's written responses to the committee also indicated that two other components of the project – "management/organizational change" and "independent verification and validation" were slated to begin in April 2019 and to be completed by December 2021. However, the committee is not aware of any contract awards for either component of the project.

¹¹¹ The tax front-end was revised with operating funds under a contract signed in 2014, although according to reports to the committee, the original timetable transitioned from 1 year to several years after errors in the first launch took years to resolve. This is the existing Employer Self-Service Portal (ESSP).

¹¹² "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Attachment Q137, February 15, 2019, available at: http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part3.pdf

¹¹³ "Department of Employment Services, Responses to Fiscal Year 2018-2019 Performance Oversight Questions," February 15, 2019, p. 60-63, available at <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

¹¹⁴ Contract/Task Order Agreement No. CW30657, available at: http://app.ocp.dc.gov/Award_attachments/CW30657_DOCS_Definitized_Contract.pdf.

¹¹⁵ The RFP was issued with document identification number 397018 on Oct. 23, 2018.

Meanwhile, DOES continues to pay contractors for maintenance of legacy (i.e., obsolete) computer systems. When the committee asked DOES about whether the agency would be phasing out any of its older systems in FY 2019 in order to accommodate UI improvements, the agency said that not enough progress had been made yet to do so.¹¹⁶ Thus far in FY 2019, DOES has spent or committed more than \$7 million on maintenance, licenses, and upkeep of outdated systems while holding modernization funds in reserve. These ongoing contractual services include \$1,039,480 to Northrup Grumman for maintenance of the legacy “DUTAS” system (the tax back-end system), \$4,998,000 to OnPoint for IT system maintenance of the benefits system, and \$949,083 for other charges related to existing systems.¹¹⁷

One of the key justifications for the modernization project was the agency’s desire to reduce its dependency on external contractors but, thus far, the project has only served to prolong those relationships and attendant costs.¹¹⁸ The committee learned at the April 24, 2019, budget hearing that, due to a delay in completing the UI benefits system on time, the agency will now have to go back to the negotiating table to determine how much longer and more costly the first phase of this system will be.

UI efficiency and accuracy are important goals that the committee believes are worthy and well within reach for the Department of Employment Services. But many other important workforce priorities in the District that could be funded if the agency was able to eliminate even some of the ongoing maintenance costs stemming from the old system.

¹¹⁶ Committee notes from conversation with DOES representatives on March 28, 2019.

¹¹⁷ “Fund 0624 Unemployment Insurance Administration, FY 2020 Proposed Budget,” provided by DOES to the Committee.

¹¹⁸ Government of the District of Columbia, “FY 2020 Proposed Budget and Financial Plan, Volume 5,” detail page for “CF0-UIM02-UI MODERNIZATION PROJECT-FEDERAL”.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. Replace portions of recurring workforce development programmatic funding with one-time money

- Decrease funding: Program 4000 (State Initiatives), Activity 4250 (Local Adult Training): *decrease* CSG 50 (Subsidies and Transfers) by \$1,000,000 in recurring funds.
- Decrease funding: Program 4000 (Workforce Development), Activity 4260 (Infrastructure Academy): *decrease* CSG 50 (Subsidies and Transfers) by \$500,000 in recurring funds.
- Decrease funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *decrease* CSG 40 (Other Services and Charges) by \$300,000 in recurring funds.
- Decrease funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *decrease* CSG 50 (Subsidies and Transfers) by \$3,000,000 in recurring funds.
- Decrease funding: Program 5000 (State Initiatives), Activity 5200 (DC Career Connections): *decrease* CSG 50 (Subsidies and Transfers) by \$1,000,000 in recurring funds.

- Increase funding: Program 4000 (Workforce Development), Activity 4250 (Local Adult Training): *increase* CSG 50 (Subsidies and Transfers) by \$1,000,000 in one-time funds.
- Increase funding: Program 4000 (Workforce Development), Activity 4260 (Infrastructure Academy): *increase* CSG 50 (Subsidies and Transfers) by \$500,000 in one-time funds.
- Increase funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *increase* CSG 40 (Other Services and Charges) by \$300,000 in one-time funds.
- Increase funding: Program 5000 (State Initiatives), Activity 5100 (Transitional Employment): *increase* CSG 50 (Subsidies and Transfers) by \$3,000,000 in one-time funds.
- Increase funding: Program 5000 (State Initiatives), Activity 5200 (DC Career Connections): *increase* CSG 50 (Subsidies and Transfers) by \$1,000,000 in one-time funds.

2. Fund and implement the Pathways to District Government Careers Amendment Act of 2018 (L22-211)

- Program Manager (1 FTE): create a new position, Grade 12 in Program 4000 (Workforce Development), Activity 4300 (Office of Apprenticeship Info. and Training): *increase* CSG 11 (Regular Pay – Continuing Full Time) by \$83,579 and CSG 14 (Fringe Benefits – Current Personnel) by \$18,441 in recurring funds. *Total PS increase = \$102,020*

3. Increase funding for labor law education and outreach and reduce “other services” in Office of Wage-Hour Compliance.
 - Increase funding: Program 3000 (Labor Standards), Activity 3200 (Office of Wage Hour): *increase* CSG 50 (Subsidies and Transfers) by \$70,000 in recurring funds.
 - Reduce funding: Program 3000 (Labor Standards), Activity 3200 (Office of Wage Hour): *decrease* CSG 40 (Other Services and Charges) by \$70,000 in recurring funds.
4. Reduce Special Purpose Revenue Fund 624 from expected reserves.
 - Reduce funding: Program 2000 (Unemployment Insurance), Activity 2100 (Tax Collection): *decrease* CSG 40 (Other Services and Charges) by \$90,696 in PSR (one-time) funds.
5. Align Statewide Activities’ contracts budget with past spending
 - Reduce funding: Program 4000 (Workforce Development), Activity 4900 (State-Wide Activities): *decrease* CSG 41 (Contractual Services – Other) by \$94,343 in recurring funds.

b. Fiscal Year 2020 Capital Budget Recommendations

1. Increase DC Infrastructure Academy project PAYGO by \$4.3 million in each FY 2021, 2022, and 2023.
2. Provide a detailed analysis or spending plan for the \$21 million increase in capital funding in FY 2020 for the Paid Family Leave IT application.
3. Swiftly complete the agency’s capital project to modernize UI information technology systems and submit UI modernization project plans to the committee.

c. Policy Recommendations

Paid Leave

1. Release the Request for Proposal (RFP) for the upcoming benefits system as soon as possible to ensure a timely delivery of the system.
 - d. The RFP for the tax collection IT system was released too close to the July 1 deadline.
 - e. Development of the benefits IT system will likely need to be longer given it is more complicated than tax collection.
 - f. DOES should use all resources available to ensure that the final RFP is both submitted timely and technologically sufficient for the system’s needs.
2. Release draft regulations as soon as possible for the upcoming benefits system to ensure sufficient input and timely delivery of system.
3. Improve communications strategy around paid family leave implementation to ensure that businesses are prepared for upcoming July 1 tax collection.

- a. Develop a strategic plan for communicating with employers, and work with employers, payroll providers, and business associations to ensure that materials include critical guidance about the law and its implementation.
 - b. Consider looking to other District agencies for ideas about mass communications.
4. Provide a detailed analysis or spending plan for the \$61 million allocated for the paid family leave IT system.
5. Utilize user testing to ensure that the tax and benefits systems meet the needs of intended users.
6. Hire all of the staff needed to run the paid leave program.
7. Ensure that DOES has the budget authority to pay for claims that will be filed in Fiscal Years 2020 and 2021

Workforce Development

1. At the DC Infrastructure Academy:
 - a. Train more individuals for high-wage careers.
 - b. Ensure that trainees obtain employment and are placed in jobs in the fields in which they were trained. Work with partner entities to hire more graduates.
 - c. Spend private money first.
 - d. Provide the Council and the public with a strategy regarding long-term plans for the DCIA building.
2. Improve the Year-Round Youth program by providing more year-round occupational skills training and job opportunities for in-school youth.
3. Increase First Source transparency and compliance
 - e. Continue to improve tracking of projects
 - f. Review calculation of penalties.
 - g. Finish required regulations and report to Council.
4. Utilize the integrated education and training model.
5. Increase opportunities in the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) for youth most in need and utilize funds more efficiently.
 - a. Extend the program by six weeks for opportunity youth.
 - b. Place more participants with host employers from registered apprenticeship programs.
 - c. Raise wages for 14-and-15-year-olds.
 - d. Evaluate the effectiveness of soft skills training provided and the causes of attrition
 - e. Streamline certification and eligibility processes.
 - f. Ensure that prices charged by District agencies to host and/or place participants are fair.
6. Implement the Pathways to District Government Careers Act.
7. Ensure the LEAP program assists participants to find permanent employment.
8. Provide complete and accurate data in Project Empowerment, and enroll some prospective participants in federally funded programs

9. Be transparent about the formula and process to distribute WIOA funds to the Workforce Investment Council (WIC).
10. Work with the One-Stop Operator and the WIC to enable them to conduct their work at the AJCs, as required by WIOA
11. Improve customer service.
12. Continue to expand registered apprenticeship in non-construction fields and improve tracking of data
13. Implement recommendations from the independent evaluation of the DC Career Connections program.
14. Improve transparency of grantmaking and contracting.
 - a. Solicit grants and contracts in a transparent manner.
 - b. Share the results of grantee monitoring with the Council.
 - c. DOES should develop and widely disseminate a grant and contract schedule
 - d. Work with the Office of Contracting and Procurement to ensure that the District is paying fair market prices for training

Labor Standards

1. Improve the wage-hour complaint process.
 - a. Remove notarization requirements.
 - b. Gather complaint specifics in intake interviews rather than on the written complaint form.
 - c. Proactively communicate with complainants.
 - d. Revise and streamline the wage-hour complaint form.
2. Conduct workplace-wide investigations and penalize employers that violate foundational provisions of our worker protection laws.
3. Outreach regarding wage and hour laws must better address the rights of District workers.
4. Newly required tipped worker protections should be implemented efficiently.
5. DOES should work with the Office of Administrative Hearings (OAH) to ensure that administrative hearing decisions are posted online for most cases.

Unemployment Insurance

1. Prioritize staff training in order to avoid errors that harm workers.
2. Process OAH claim reversals within three business days and transmit documents electronically.

D. EMPLOYEES' COMPENSATION FUND (BG0)

1. AGENCY MISSION AND OVERVIEW

The mission of the Employees' Compensation Fund (ECF) is to administer the Public Sector Workers' Compensation program for District of Columbia government employees and to pay the required claims costs of eligible claimants, pursuant to applicable District laws.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842
Gross Funds	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	47	52	52	0	52
Gross Funds	47	52	52	0	52

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
0010	Disability Compensation Fund	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842
	Total	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
11	Regular Pay - Continuing Full Time	\$284,526	\$4,008,953	\$1,639,326	\$0	\$1,639,326
12	Regular Pay - Other	\$15,700,660	\$12,350,000	\$15,738,190	\$0	\$15,738,190
13	Additional Gross Pay	\$305	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$2,198,371	\$3,245,392	\$3,201,587	\$0	\$3,201,587
20	Supplies and Materials	\$1,026,157	\$1,510,002	\$1,510,002	\$0	\$1,510,002
40	Other Services and Charges	\$5,516,468	\$3,017,235	\$3,462,737	\$0	\$3,462,737
	Total	\$24,578,981	\$24,131,582	\$25,551,842	\$0	\$25,551,842

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for ECF is \$25,551,842, an increase of \$1,420,260, or 5.9 percent, over the current fiscal year's budget of \$24,131,582. This budget would support 52 FTEs, an increase of 0 FTEs over the current fiscal year of 52 FTEs. One hundred percent of the ECF budget is in local funds.

Committee Analysis and Recommendations

a. Budget Recommendations

1. Approve budget as proposed, but review spending to realize savings from termination of third-party vendor contract

The committee recommends reducing funding in the ECF, but the Office of the Chief Financial Officer would not certify the recommendation due to past use of contingency funds. Therefore, the committee recommends approving the ECF budget as proposed by the Mayor.

Before FY 2019, the ECF held funds that were used to pay for public sector workers' compensation payments—indemnity payments and medical reimbursement—for injured District government workers, as well as administration of that program. During FY 2018, the administration of the program was transferred from a third-party vendor to the District. As such, the FY 2019 proposed budget reflected the addition of 52 FTEs to ECF to support the program. The third-party vendor operated under a \$4 million annual contract with the District. However, the FY 2020 budget does not reflect any savings from the end of this contract. In fact, the agency's budget is increasing compared with FY 2019. It is not clear to the committee why savings are not being realized in this fund due to the termination of the third-party contract. The committee recommends that ECF leadership review its spending to realize savings due to the end of the third-party vendor contract.

b. Policy Recommendations

The ECF is overseen by the director of the Office of Risk Management. Please see the Report and Recommendations of the Committee on Government Operations, chapter on Office of Risk Management, for any policy discussion regarding the public sector workers' compensation program.

3. FY 2020-2025 CAPITAL BUDGET

ECF has no proposed capital budget for FY 2020-2025.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. The committee recommends approval of the mayor's proposed FY 2020 budget, but also recommends the agency review spending to realize savings due to the end of the third-party vendor contract in the public sector workers' compensation program.

E. OFFICE OF EMPLOYEE APPEALS (CH0)

1. AGENCY MISSION AND OVERVIEW

The Office of Employee Appeals (OEA) hears appeals from District employees who have been terminated, suspended for at least 10 days, placed on enforced leave, reduced in grade, or had their position abolished pursuant to a reduction-in-force as the result of a final agency action. OEA is empowered to reverse, modify, or uphold the agency decision.

When an agency action is appealed to OEA, a three-step process begins. The first step is mediation. The case is mediated by an OEA hearing examiner who can help the parties understand how a hearing examiner will understand and evaluate their case and encourage them to find a mutually agreeable settlement without the expense of litigation. If the parties are unable to reach a settlement, the case is heard by a hearing examiner. The hearing examiner's decision can then be appealed to the full OEA Board ("The Board"). The Board is composed of five members selected for their knowledge of personnel management and labor relations as well as their integrity and impartiality.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$2,098,885	\$2,178,202	\$2,235,527	\$0	\$2,235,527
Gross Funds	\$2,098,885	\$2,178,202	\$2,235,527	\$0	\$2,235,527

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	15	15	15	0	15
Total	15	15	15	0	15

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
1000	Agency Management	\$1,000,569	\$1,191,326	\$1,212,378	\$0	\$1,212,378
2000	Adjudication	\$1,098,316	\$986,875	\$1,023,150	\$0	\$1,023,150
	Total	\$2,098,885	\$2,178,202	\$2,235,527	\$0	\$2,235,527

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
Comp Source Group		FY 2018 Actual	FY 2019 Approved	FY 2020 Proposed	Sum of Committee Variance	Committee Approved
11	Regular Pay - Continuing Full Time	\$1,354,724	\$1,579,547	\$1,620,971	\$0	\$1,620,971
12	Regular Pay - Other	\$115,239	\$130,311	\$133,547	\$0	\$133,547
13	Additional Gross Pay	\$541	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$291,177	\$350,520	\$363,185	\$0	\$363,185
15	Overtime Pay	\$466	\$0	\$0	\$0	\$0
20	Supplies and Materials	\$7,757	\$3,000	\$3,000	\$0	\$3,000
31	Telecommunications	\$16,489	\$0	\$0	\$0	\$0
40	Other Services and Charges	\$250,967	\$83,824	\$83,824	\$0	\$83,824
41	Contractual Services - Other	\$33,080	\$33,000	\$30,000	\$0	\$30,000
70	Equipment and Equipment Rental	\$28,446	\$1,000	\$1,000	\$0	\$1,000
	Total	\$2,098,885	\$2,178,202	\$2,235,527	\$0	\$2,235,527

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for OEA is \$2,235,527, an increase of \$57,325, or 2.6 percent, over the current fiscal year's budget of \$2,178,202. This budget would support 15 FTEs, an increase of 0 FTEs over the current fiscal year of 15 FTEs. One hundred percent of the OEA budget is in local funds.

Committee Analysis and Recommendations

a. Budget recommendations

The committee recommends approval of the Mayor's proposed FY 2020 budget for OEA.

b. Policy Recommendations

The committee provides the following recommendations in relation to agency performance over the last year.

1. Proactively follow up on orders issued against an agency to determine agency compliance

When OEA rules against an agency, D.C. Code requires that the agency comply with the ruling within 30 days.¹¹⁹ Each time OEA rules against an agency, the order includes language restating that 30-day requirement.¹²⁰ In its performance oversight hearing, OEA's director testified that the agency does not follow up with the agency or the employee to ensure compliance. Rather, they depend on the employee to inform OEA of noncompliance after the 30-day deadline. It is problematic to put the burden for follow-up on the wronged employee to again bring forth corrective action.¹²¹ There are several cases where an aggrieved employee had to come back to OEA to enforce compliance.¹²² Rather than waiting for the employee to bring an additional complaint on the matter, OEA should instead proactively follow up to confirm an agency complied with an OEA order. This will ensure speedier compliance by agencies and take the burden off of employees whom OEA has already determined to have been wronged.

2. Increase timeliness of decisions issued

D.C. Code requires that OEA issue jurisdictional determinations within 45 days of receiving an appeal and hearing examiner decisions within 120 days.¹²³ Unfortunately, OEA has not always met these deadlines. During fiscal years FY 2017 and FY 2018, 74 percent and 76 percent of OEA jurisdiction determinations did not meet the jurisdiction deadline, respectively.¹²⁴ For the hearing examiner decision deadline, FY 2017 saw 35 percent of decisions go over the 120-day deadline and FY 2018 saw 38 percent go over the deadline.¹²⁵ In its performance oversight hearing, the OEA director explained that the 120-day deadline made sense when the statute was written but is now unrealistic given the current higher standards for the content of decisions. The committee recognizes that rigidly adhering to the 120-day deadline is not always possible. Nor does the committee encourage

¹¹⁹ See DC Code § 1-606.09

¹²⁰ See generally OEA Decisions, available at <https://casesearch.oea.dc.gov/>

¹²¹ See DCMR § 6-B635.2 “If any agency fails to comply with the final decision of the Office within the time period specified in § 635.3, the employee may file a motion to enforce the final decision. The motion shall be directed to the Administrative Judge who decided the appeal.”

¹²² See, e.g., *Anglin v. DC Public Schools*, OEA Matter No. 1601-01169-13C17 (Nov 30, 2018); *Jones v. Office of the State Superintendent of Education*, OEA Matter No. 1601-0103-13C17 (April 2, 2018); *McNair v. DC Dept. of Employment Services*, OEA Matter No. 1601-0012-14C16 (Aug. 11, 2017); *Mezile v. DC Dept. on Disability Services*, OEA Matter No. 2401-0158-09R12C17 (Jan. 6, 2017); *Tate v. DC Dept. of Parks and Recreation*, OEA Matter No. 1601-0235-11C16 (Nov. 7, 2016).

¹²³ See DC Code § 1-606.03(c)

¹²⁴ “Office of Employee Appeals FY18-19 Performance Oversight Hearing Questions,” p. 18, available at <http://dccouncil.us/wp-content/uploads/2019/02/OEA-2019-PO-repsonses.pdf>

¹²⁵ *Id.* at 19

rushing work. OEA's performance over the last two fiscal years has been very good. In the last two fiscal years, only two OEA decisions were reversed by the Superior Court and none were reversed by the Court of Appeals.¹²⁶ However, individuals appealing to OEA face significant stress and in many cases economic hardship while they await decisions affecting their employment. Despite very good performance, it is still important for OEA to issue decisions within the statutory deadline. The committee encourages OEA to endeavor to close cases under the statutorily mandated deadline so long as it does not compromise justice or the validity of their process.

3. FY 2020-2025 CAPITAL BUDGET

OEA has no proposed capital budget for FY 2020-2025.

4. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

The committee recommends approval of the mayor's proposed FY 2020 budget.

b. Policy Recommendations

1. Proactively follow up on orders issued against an agency to determine agency compliance
2. Increase timeliness of decisions issued

¹²⁶ *Id.* at 12-15

F. OFFICE OF LABOR RELATIONS AND COLLECTIVE BARGAINING (PART OF AEO, OFFICE OF CITY ADMINISTRATOR)

1. AGENCY MISSION AND OVERVIEW

The Office of Labor Relations and Collective Bargaining (OLRCB), housed in the Office of the City Administrator (OCA), serves as the Mayor’s principal management advocate in relations between the District and its unionized employees. Its responsibilities include: representing management before the Public Employee Relations Board in right to union representation matters, unit determinations, unfair labor practices, negotiability appeals, arbitration appeals and impasse proceedings; representing the Mayor and District departments, offices, and agencies in collective bargaining over working conditions and compensation agreements and bargaining over the impact and effects changes in conditions of employment; developing and presenting cases in mediation and arbitration proceedings; representing the Mayor on joint labor-management committees and work groups; advising the Mayor and District departments, offices, and agencies concerning all aspects of labor relations; training labor liaisons, managers, supervisors, and management officials concerning their rights and obligations under the Comprehensive Merit Personnel Act and applicable labor law, policies, and procedures; and developing, implementing, and administering citywide labor initiatives.

OLRCB is composed of four major units:

1. Negotiations and Contract Administration;
2. Litigation Unit;
3. Training, Research and Citywide Initiatives Unit; and
4. Administrative and Program Support Unit.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$1,430,618	\$2,242,483	\$2,243,467	\$0	\$2,243,467
Special Purpose Funds (O-Type)	\$242,213	\$0	\$0	\$0	\$0
Operating Intra-District Funds	\$334,352	\$0	\$0	\$0	\$0
Gross Funds	\$2,007,184	\$2,242,483	\$2,243,467	\$0	\$2,243,467

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	15.8	17	17	0	17
Special Purpose Funds (O-Type)	1	0	0	0	0
Operating Intra-District Funds	1	0	0	0	0
Total	17.8	17	17	0	17

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
3000	Labor Relations and Collective Bargaining	\$2,007,184	\$2,242,483	\$2,243,467	\$0	\$2,243,467
	Total	\$2,007,184	\$2,242,483	\$2,243,467	\$0	\$2,243,467

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
11	Regular Pay - Continuing Full Time	\$1,473,849	\$1,843,931	\$968,208	\$0	\$968,208
12	Regular Pay - Other	\$673	\$0	\$0	\$0	\$0
13	Additional Gross Pay	\$66,699	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$300,215	\$359,336	\$359,336	\$0	\$359,336
15	Overtime Pay	\$533	\$0	\$0	\$0	\$0
20	Supplies and Materials	\$9,267	\$9,216	\$9,000	\$0	\$9,000
40	Other Services and Charges	\$69,471	\$0	\$31,200	\$0	\$31,200
41	Contractual Services - Other	\$86,476	\$30,000	\$0	\$0	\$0
	Total	\$2,007,184	\$2,242,483	\$2,243,467	\$0	\$2,243,467

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for OLRCB is \$2,246,467, an increase of \$984, or 0.04 percent, over the current fiscal year's budget of \$2,242,483. This budget would support 17 FTEs, an increase of 0 FTEs over the current fiscal year of 17 FTEs. One hundred percent of the OLRCB budget is in local funds.

Committee Analysis and Recommendations

a. Budget Recommendations

The committee recommends approval of the Mayor's proposed FY 2020 budget for OLRCB.

b. Policy Recommendations

The committee provides the following recommendations in relation to agency performance over the last year.

1. Renegotiate collective bargaining agreements before they expire

District government employees have the right to collectively bargain over compensation as well as terms and conditions (“working conditions”) of their employment. The compensation and working conditions terms are often negotiated in separate collective bargaining agreements (CBAs). It is OLRCB's role to facilitate this process and represent the interests of the District as an employer. When compensation agreements are not renewed until after the previous agreement's expiration date, the new CBA often requires retroactive payments made to make up for the intervening years. This means that workers had to wait for pay they were owed, and this takes time and adds an extra administrative and financial burden to the District. In recent years, OLRCB has made great strides to reduce the backlog of expired compensation agreements. Currently only 17 compensation agreements are expected to expire in FY 2019 or FY 2020.¹²⁷ The committee encourages OLRCB to continue its good work here and to renegotiate these agreements before their expiration.

When a working conditions CBA expires, most essential terms of the agreement still govern the parties until a new agreement is reached. The employees it covers must operate under the previous agreement, sometimes for years; however, circumstances can change, and an update is warranted. For example, the AFGE 1975 working conditions CBA expired initially in 2010.¹²⁸ The union local has alerted the committee to ongoing concerns about safety at the workplace, some of which may be relevant to the working conditions CBA. In the case of working conditions CBAs that roll over until they are renewed, the committee encourages OLRCB to review and renegotiate them on a more frequent basis than in the past, no longer than 5 years.

3. FY 2020-2025 CAPITAL BUDGET

OLRCB has no proposed capital budget for FY 2020-2025.

¹²⁷ Maxwell, E. Lindsey “Re: OLRCB Budget Hearing Follow-Up Questions.” Email to committee staff, April 12, 2019, on file with committee.

¹²⁸ *Id.* at 142 & 144

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

The committee recommends approval of the Mayor's proposed FY 2020 budget for OLRCB.

b. Policy Recommendations

1. Renegotiate collective bargaining agreements before they expire.

G. PUBLIC EMPLOYEE RELATIONS BOARD (CG0)

1. AGENCY MISSION AND OVERVIEW

The Public Employee Relations Board (PERB) is an impartial independent agency that resolves disputes between agency management and public employee unions in the District. The Board's responsibilities include: determining the appropriate compensation and non-compensation bargaining units; certifying and decertifying labor organizations as exclusive bargaining representatives; adjudicating unfair labor practice complaints; considering appeals of grievance arbitration awards; investigating standard of conduct complaints; determining whether a particular subject or proposal is within the scope of bargaining; facilitating the resolution of impasses in contract negotiations; and adopting rules and regulations for conducting the business of the Board.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$1,235,061	\$1,508,605	\$1,525,505	(\$204,017)	\$1,321,488
Gross Funds	\$1,235,061	\$1,505,605	\$1,525,505	(\$204,017)	\$1,321,488

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	10	10	10	(1)	9
Total	10	10	10	(1)	9

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
1000	Agency Management	\$217,448	\$404,794	\$271,628	\$0	\$271,628
2000	Adjudication	\$1,017,613	\$1,103,811	\$1,253,877	(\$204,017)	\$1,049,860
	Total	\$1,235,061	\$1,508,605	\$1,525,505	(\$204,017)	\$1,321,488

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
Comp Source Group		FY 2018 Actual	FY 2019 Approved	FY 2020 Proposed	Sum of Committee Variance	Committee Approved
11	Regular Pay - Continuing Full Time	\$781,627	\$1,003,443	\$968,208	(\$128,241)	\$839,967
12	Regular Pay - Other	\$115,239	\$130,311	\$133,547	\$0	\$133,547
13	Additional Gross Pay	\$1,850	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$139,777	\$204,702	\$194,610	(\$25,776)	\$168,834
20	Supplies and Materials	\$5,000	\$5,000	\$10,000	\$0	\$10,000
31	Telecommunications	\$22,597	\$23,146	\$30,146	\$0	\$30,146
40	Other Services and Charges	\$106,351	\$83,295	\$186,674	(\$50,000)	\$136,674
41	Contractual Services - Other	\$172,859	\$184,019	\$125,867	\$0	\$125,867
70	Equipment and Equipment Rental	\$5,000	\$5,000	\$10,000	\$0	\$10,000
	Total	\$1,235,061	\$1,508,605	\$1,525,505	(\$204,017)	\$1,321,488

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for PERB is \$1,525,505, an increase of \$16,900, or 1.1 percent, over the current fiscal year's budget of \$1,508,605. This budget would support 10 FTEs, an increase of 0 FTEs over the current fiscal year of 10 FTEs. One hundred percent of the PERB budget is in local funds.

Committee Analysis and Recommendations

a. Budget recommendations

1. Reduce by 1 FTE; eliminate attorney advisor position

PERB has eliminated its backlog of cases, and its workload is significantly reduced. PERB only has 32 cases total currently. At its budget hearing, PERB's director testified that attorneys can handle 20 cases each. The director also testified that PERB may not need 5 attorneys and it is already contemplating not filling the vacant position. This budget reduction would consist of \$128,241 for the salary and \$25,776 for the benefits. This is a total reduction of \$154,017.

2. Reduce CSG 40 – Other Services and Charges

PERB's CSG 40 – Other Services and Charges budget has increased by \$103,379, or 124.1 percent, from FY 2019 while their caseload has dropped. The committee recommends reducing this increase by \$50,000. This would make PERB's FY 2020 CSG 40 \$136,674, which is still a \$53,379 budget increase over FY 2019.

b. Policy Recommendations

The committee provides the following commentary in relation to agency performance over the last year.

1. Implement a more targeted system for advertising training programs to agencies

One of PERB's responsibilities is to conduct labor/management training programs for District agencies and labor unions. PERB conducts both general training and agency-specific trainings, which help agency and union representatives handle labor concerns that uniquely affect them. PERB has listed its training programs as a top priority.¹²⁹ According to agency feedback at the public oversight hearing, these programs have been a large success. However, PERB said in their public oversight hearing that their chief form of advertising to agencies is a monthly email blast. To help advance these programs, PERB should increase and tailor its outreach to agencies. PERB should target agencies that have yet to attend training and agencies that PERB identifies as particularly in need of training. It should then reach out to these agencies proactively to arrange training. And since many agency officers have already received some form of basic training from PERB,¹³⁰ its FY 2020 trainings should include an increase in agency-specific trainings.

2. Ensure timeliness of decisions issued

The DC Code requires PERB to issue its decisions no later than 120 days from referral.¹³¹ However, in its public oversight responses, PERB reported that its average time to issue a decision was in many cases over 120 days.¹³² Specifically, in FY 2018, the average time to issue decisions in standard of conduct and unit clarification cases was over 160 days and in recognition cases was 220 days. PERB's director responded to hearing questions on this matter by explaining that PERB determines compliance with the statutory deadline as based on the time from when a case was referred to the Board itself, rather than submitted to the office. Further, the director testified that the agency prefers to take more time rather than risk making a bad decision on a case. PERB's performance has been very good. In FY 2018, PERB issued 44 decisions but only two were successfully appealed.¹³³ The committee is pleased with PERB's performance overall but encourages PERB to strive to meet its statutory deadline in all cases.

¹²⁹ "Public Employee Relations Board FY18-19 Performance Oversight Hearing Questions," p. 2, available at <http://dccouncil.us/wp-content/uploads/2019/02/PERB-Performance-Oversight-Questions-and-Exhibits-2019-NEW-VERSION-02-06-19-1.pdf>

¹³⁰ *Id.* at 18-19

¹³¹ See DC Code § 1-617.14

¹³² "Public Employee Relations Board FY18-19 Performance Oversight Hearing Questions," p. 15, available at <http://dccouncil.us/wp-content/uploads/2019/02/PERB-Performance-Oversight-Questions-and-Exhibits-2019-NEW-VERSION-02-06-19-1.pdf>

¹³³ "Public Employee Relations Board FY18-19 Performance Oversight Hearing Questions," p. 15-17, available at <http://dccouncil.us/wp-content/uploads/2019/02/PERB-Performance-Oversight-Questions-and-Exhibits-2019-NEW-VERSION-02-06-19-1.pdf>

3. FY 2020-2025 CAPITAL BUDGET

PERB has no proposed capital budget for FY 2020-2025.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. Remove vacant position and associated fringe benefits for another Attorney Advisor. *Decrease* PS budget by \$154,017 in total local, recurring funds to remove 1 FTE as follows:
 - Attorney Advisor (1 FTE): remove position 00009546, Grade 13, in Program 2000 (Adjudication), Activity 2002 (Court Appeals): *decrease* CSG 11 (Regular Pay – Continuing Full Time) by \$128,241.30 and CSG 14 (Fringe Benefits – Current Personnel) by \$25,776.50: *total PS decrease = \$154,017.80*
2. Reduce CSG 40 – Other Services and Charges. *Decrease* NPS budget by \$50,000 in local, recurring funds as follows:
 - Reduce Program 2000 (Adjudication), Activity 2001 (Legal Support): *decrease* CSG 40 (Other Services and Charges) by \$50,000.

b. Policy Recommendations

1. Implement a more targeted system for advertising training programs to agencies
2. Ensure timeliness of decisions issued

H. UNEMPLOYMENT COMPENSATION FUND (BH0)

1. AGENCY MISSION AND OVERVIEW

The Unemployment Compensation Fund (UC Fund) is to provide unemployment compensation benefits to former District government employees who have been separated from employment through no fault of their own.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390
Gross Funds	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	0	0	0	0	0
Total	0	0	0	0	0

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
1000	Unemployment Compensation Fund	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390
	Total	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
50	Subsidies	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390
	Total	\$5,153,468	\$6,680,390	\$6,680,390	(\$1,200,000)	\$5,480,390

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for the UC Fund is \$6,680,390, an increase of \$0, or 0 percent, over the current fiscal year's budget. This budget supports 0 FTEs. One hundred percent of the UC Fund budget is in local funds.

Committee Analysis and Recommendations

a. Budget recommendations

1. Reduce overbudgeting in the UC Fund

Expenditures from the UC Fund have been below the FY 2020 proposed budget level for several years. Expenditures in FY 2016 were \$4.5 million, in FY 2017 were \$5.3 million, and in FY 2018 were \$5.2 million. In FY 2018, the agency had a budget of \$6.7 million, but \$1.5 million was removed through reprogramming; the funds were available because “unemployment benefits paid to DC government workers were lower than projected.”¹³⁴ In FY 2019, the agency again has a budget \$6.9 million, and as of late March had spent \$2.7 million, putting it on track to spend at the FY 2016-2018 levels in the current fiscal year. The FY 2020 budget proposal is also \$6.7 million. The committee observes the spending pattern over several years at closer to the \$5 million level and therefore recommends reducing this budget by \$1.2 million.

3. FY 2020-2025 CAPITAL BUDGET

The UC Fund has no capital budget for FY 2020-2025.

4. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. Reduce overbudgeting in the UC Fund
 - Reduce local budget in Program 1000 (Unemployment Compensation Fund), Activity 1100 (Unemployment Compensation Fund): *decrease* CSG 50 (Subsidies and Transfers) by \$1,200,000 in recurring funds.

¹³⁴ REPROG22-0182, submitted October 23, 2018, available at <http://lims.dccouncil.us/Download/41181/REPROG22-0182-Introduction.pdf>.

I. UNEMPLOYMENT INSURANCE TRUST FUND (UI0)

The Unemployment Insurance Trust Fund, administered by the Department of Employment Services (DOES), represents the proceeds from unemployment taxes paid by private sector employers and reimbursements from the District and federal governments deposited in the Unemployment Trust Fund (the “Fund”). The Fund is used to pay benefits for private and public sector employees during periods of unemployment. Payments include transfers to other governments to reimburse unemployment benefits paid to District residents.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Enterprise and Other	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095
Gross Funds	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Enterprise and Other	0	0	0	0	0
Gross Funds	0	0	0	0	0

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
2200	Benefits Trust Fund	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095
	Total	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
50	Subsidies and Transfers	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095
	Total	\$130,869,861	\$185,382,095	\$185,382,095	\$0	\$185,382,095

Summary of Proposed Operating Budget

The Mayor’s FY 2020 budget proposal for the Fund is \$185,382,095, an increase of \$0, or 0 percent, over the current fiscal year’s budget of \$185,382,095. This budget would support 0 FTEs, an increase of 0 FTEs over the current fiscal year of 0 FTEs.

Budget Recommendations

The committee recommends approving the UI Trust Fund's FY 2020 budget as proposed.

3. FY 2020-2025 CAPITAL BUDGET

The Fund has no proposed capital budget for FY 2020-2025.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. The committee recommends approving the UI Trust Fund's FY 2020 budget as proposed.

J. WORKFORCE INVESTMENTS (UP0)

1. AGENCY MISSION AND OVERVIEW

The mission of Workforce Investments is to fund compensation increases for nonunion and union District employees and any costs of reform initiatives.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306
Gross Funds	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	0	0	0	0	0
Gross Funds	0	0	0	0	0

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)						
<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
1000	Workforce Investments	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306
	Total	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306

Fiscal Year 2020 Operating Budget, By Comptroller Source Group (Gross Funds)						
<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
11	Regular Pay	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306
	Total	\$0	\$51,767,472	\$89,570,313	(\$506,007)	\$89,064,306

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for the UC Fund is \$89,570,313, an increase of \$37,802,841, or 73 percent, over the current fiscal year's budget. This budget supports 0 FTEs. One hundred percent of the Workforce Investments budget is in local funds.

Committee Analysis and Recommendations

a. Budget Recommendations

1. Reduce budget to use for related purposes

The committee recommends utilizing a small portion of the Workforce Investments' \$90 million in FY 2020 budget, just over \$500,000, to fund implementation of the Pathways to District Government Careers Amendment Act of 2018, which will provide opportunities to District residents for employment in District government. The Workforce Investments fund is used for pay raises for District government employees, so this use is related. There are fewer than two dozen collective bargaining agreements that will expire in the next year and a half, which means that there is unlikely to be extraordinary spending from this fund.

Please see more information the budget recommendation related to the Pathways Act under the Department of Human Resources (in Chapter II.B). (While the funding in Workforce Investments is one-time money, the committee considers this cut associated with funding for the Pathways Act, and it has swapped these Workforce Investments funds with recurring money from DOES to utilize for the Pathways Act.)

3. FY 2020-2025 CAPITAL BUDGET

Workforce Investments has no capital budget for FY 2020-2025.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. Reduce budget by \$506,007 to fund the Pathways to District Government Careers Amendment Act of 2018 (after swapping with recurring funds reduced elsewhere in the budget).

- Reduce Program 1000 (Workforce Investments), Activity1100 (Workforce Investments): *decrease* CSG 11 (Regular Pay) by \$506,007 in one-time funds.

K. WORKFORCE INVESTMENT COUNCIL (PART OF GW0, DEPUTY MAYOR FOR EDUCATION)

1. AGENCY MISSION AND OVERVIEW

The Workforce Investment Council (WIC) provides strategic guidance, coordination, and oversight of the District’s workforce development system, including the federal Workforce Innovation and Opportunity Act (WIOA). The WIC’s budget is housed within the budget of the Deputy Mayor for Education. The WIC is led by a Board, for which membership requirements are laid out in WIOA and District law. Board members are appointed by the Mayor. The Board serves as both the State Workforce Development Board and Local Workforce Development Board, as defined by WIOA, which involve oversight, accountability, and operational responsibilities, such as development of strategies and policies, dissemination of information, review and evaluation of programs, operational input, technical assistance, and recommendations on the District’s workforce development system.¹³⁵

2. FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2020 Operating Budget, By Revenue Type <i>(Program 3000 of GW0 Deputy Mayor for Education in FY20; Program 3000 of EM0 Deputy Mayor for Greater Economic Opportunity in FY17-19)</i>					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	\$1,034,504	\$4,190,894	\$1,500,430	\$1,650,000	\$3,150,430
Intra-District	\$1,990,051	\$916,343	\$0	\$0	\$0
Gross Funds	\$3,024,555	\$5,107,236	\$1,500,430	\$1,650,000	\$3,150,430

Fiscal Year 2020 Full-Time Equivalents, By Revenue Type <i>(Program 3000 of GW0 Deputy Mayor for Education in FY20; Program 3000 of EM0 Deputy Mayor for Greater Economic Opportunity in FY17-19)</i>					
<i>Fund Type</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
Local	2.74	5.31	9	0	9
Operating Intra-District Funds	4.03	4.69	0	0	0
Total	6.77	10	9	0	9

¹³⁵ Workforce Innovation and Opportunity Act, Title 32 USC Section 3111 defines state boards, Title 32 USC 3122 defines local boards. The WIC is established and assigned responsibility to carry out functions of both state and local boards under WIOA in D.C. Office Code § 32–1603(a).

Fiscal Year 2020 Operating Budget, By Program (Gross Funds)
(Program 3000 of GW0 Deputy Mayor for Education in FY20; Program 3000 of EM0 Deputy Mayor for Greater Economic Opportunity in FY17-19)

<i>Program</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
EM0 3000	Workforce Investment	\$3,024,555	\$5,107,236	\$0	\$0	\$0
GW0 2012	Workforce Investment Council	\$0	\$0	\$1,500,430	(\$1,500,430)	\$0
GW0 3012	Workforce Investment	\$0	\$0	\$0	\$3,150,430	\$3,150,430
Total		\$3,024,555	\$5,107,236	\$1,500,430	\$1,650,000	\$3,150,430

Fiscal Year 2020 Operating Budget, by Comptroller Source Group (Gross Funds)
(Program 3000 of GW0 Deputy Mayor for Education in FY20; Program 3000 of EM0 Deputy Mayor for Greater Economic Opportunity in FY17-19)

<i>Comp Source Group</i>		<i>FY 2018 Actual</i>	<i>FY 2019 Approved</i>	<i>FY 2020 Proposed</i>	<i>Sum of Committee Variance</i>	<i>Committee Approved</i>
11	Regular Pay - Continuing Full Time	\$145,605	\$572,757	\$665,898	\$0	\$665,898
12	Regular Pay - Other	\$370,700	\$347,751	\$177,715	\$0	\$177,715
13	Additional Gross Pay	\$2,175	\$0	\$0	\$0	\$0
14	Fringe Benefits - Current Personnel	\$100,974	\$183,328	\$173,784	\$0	\$173,784
15	Overtime Pay	\$33	\$0	\$0	\$0	\$0
20	Supplies and Materials	\$360	\$10,246	\$10,500	\$0	\$10,500
40	Other Services and Charges	\$87,605	\$152,000	\$165,000	\$0	\$165,000
41	Contractual Services - Other	\$2,009,241	\$220,000	\$297,533	\$0	\$297,533
50	Subsidies and Transfers	\$307,861	\$3,621,154	\$0	\$1,650,000	\$1,650,000
70	Equipment & Equipment Rental	\$0	\$0	\$10,000	\$0	\$10,000
Total		\$3,024,555	\$5,107,236	\$1,500,430	\$1,650,000	\$3,150,430

Summary of Proposed Operating Budget

The Mayor's FY 2020 budget proposal for the WIC is \$1,500,430, a decrease of \$3,606,806, or 71 percent from the FY 2019 approved budget of \$5,107,236. The proposed budget would support a staff of 9 FTEs, a reduction of 1 FTE from the current fiscal year.

Local Funds: The Mayor's FY 2020 local funds budget proposal for the WIC is \$1,500,430, a decrease of \$2,690,464, or 52.7 percent, from the FY 2019 approved budget of \$4,190,894. The proposed budget would support 9 FTEs, a decrease of 1.0 FTEs from the current fiscal year of 10 FTEs.

Intra-District Funds: The Mayor’s FY 2020 intra-district funds budget proposal is \$0, a decrease of \$916,343 or 100 percent, from the current fiscal year’s approved budget of \$916,343. The proposed intra-district funds budget would support 0 FTEs, a decrease of 4.69 FTEs from the current fiscal year.

Committee Analysis and Recommendations

a. Budget Recommendations

1. Fund and expand the Career Pathways Innovation Fund

The Career Pathways Innovation Fund (CPIF) was established by law in 2015 and has been in effect since 2016. For the second year in a row, the Mayor’s proposed budget did not include funding for this program. Despite this, the committee recommended, and the Council provided funding in the FY 2019 budget. Given how successful and important this program has been to adult learners and jobseekers, the committee again recommends restoring and expanding its funding in the FY 2020 budget.

The CPIF has operated in combination with the WIOA Title II Adult Education program, which is administered by the Office of the State Superintendent of Education (OSSE). OSSE has braided funding from its federal sources with the \$1.1 million of CPIF funds provided by the WIC. This funding represents 25 percent of OSSE’s adult and family education grants budget. OSSE has issued grants to ten organizations to provide services using an “integrated education and training” (IET) model, which is considered a best practice and used across the nation.¹³⁶ With this model, individuals receive education in literacy and numeracy simultaneously with, and in the context of, occupational skills training. Ninety percent of participants in the program are individuals with low educational functioning levels who would otherwise not qualify for most traditional job training programs. Further, this population represents the majority of individuals seeking services at American Job Centers or other DOES programs and who also took assessment tests (the CASAS test).¹³⁷

Results from the first program year (PY17) are very promising, with a marked increase in the “measurable skills gain” metric for WIOA Title II and hundreds of students earning certifications. According to the WIC’s 2019 performance oversight responses to pre-hearing questions:

The program has served 1,126 adult learners and DC residents, 45 percent of whom were functioning at the 5th grade level or below and 87 percent of whom were functioning at the 8th grade level or below. 475 students (46 percent) made a measurable skills gain (i.e., educational gains via pre and post-test) exceeding last year’s performance by ten percentage points and exceeding our federal target by

¹³⁶ For example, see Beth Hawkins, “Adult Education Comes of Age,” *Education Next*, Vol. 19, No. 2, Spring 2019, available at <https://www.educationnext.org/adult-education-comes-of-age-new-approach-blends-basic-academics-job-training/>.

¹³⁷ See discussion Chapter II.C.2.

four percentage points. 46 students, or 37 percent, of those students who entered the program functioning at the 9th grade level or above earned their secondary credential. 420 students earned an entry level and/or industry-recognized certification within WIC's high demand career sectors (i.e., Certified Nursing Assistant, Medical Assistant, Child Development Associate, NCCER, A+, COMP TIA, Networking Fundamentals, Physical Security License, Certified Front Desk Representative, etc.).¹³⁸

At the budget oversight hearing for DOES and the WIC, and in written testimony submitted for the record, numerous public witnesses testified in favor of funding and expanding the CPIF. These witnesses included organizational representatives and CPIF participants from Academy of Hope Public Charter School and So Others Might Eat or S.O.M.E.; CPIF participants from the YWCA National Capital Area; and representatives of the Greater Washington Community Foundation, DC Alliance of Youth Advocates, DC Fiscal Policy Institute, Coalition for Nonprofit Housing and Economic Development, and Community Family Life Services. DC Appleseed submitted written testimony in support of CPIF funding.

D.C. Code §51-114(d)(2)(D) provides that the WIC may use specified amounts of funding from the Unemployment and Workforce Development Administrative Fund for the purposes set forth in §32-1605.01, the authorizing language for the CPIF. However, DOES is the administrator of this fund, and has not provided funding to the CPIF since FY 2018. In FY 2019, the committee was able to fund the CPIF through one-time funding by reducing the Unemployment Insurance Modernization capital budget.¹³⁹

For FY 2020 and the future, the committee has identified \$1,650,000 a year in recurring funds, including \$500,000 transferred in from the Committee on Facilities and Procurement, to restore and enhance the WIC's budget for the Career Pathways Innovation Fund. The committee recommends that the vast majority, and potentially the entirety, of the funds be included in the MOU between the WIC and OSSE to be used for grants to providers.

¹³⁸ Workforce Investment Council, "Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Feb. 19, 2019, response to Question 62, p. 34, available at http://dccouncil.us/wp-content/uploads/2019/02/2019-PO_WIC_responses-02-19-19.pdf.

¹³⁹ Note that the Committee's FY 2019 Report and Recommendations on the Budget recommended utilizing funds from the Unemployment and Workforce Development Administrative Fund to fund the CPIF, as the Committee had been informed in Spring 2018 by the Office of the Chief Financial Officer that there would be \$3 million in funds remaining at the end of FY 2018. However, after submission of its budget report, the Committee was informed that DOES planned to spend all remaining reserves in this fund during FY 2018. The Committee then funded the CPIF by taking capital funds from the UI modernization project and converting them to one-time operating funds. According to the Executive Summary (Volume I) of the mayor's FY 2020 budget proposal, the Unemployment Administrative Fund had \$5.176 million remaining at the end of FY 2018. See Government of the District of Columbia, "Table 3-17 Special Purpose (O-Type) Fund Revenue, by Fund, Fiscal Years 2019-2023," *Fiscal Year 2020 Proposed Operating Budget Chapters, Operating Appendix Tables, and Capital Budgets by Agency, Vol. 1 Executive Summary*, p. 3-46 (p. 137 of the pdf), available at https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC_OCFO_Budget_Vol_1.pdf.

As discussed later in the policy recommendations, the WIC has utilized \$250,000 per year of CPIF money to fund a contract for a “community of practice” (COP). The WIC should closely analyze whether continuing this expenditure is worthwhile, or whether it should be restructured. Additionally, past WIC leadership retained \$150,000 of the CPIF funds for other purposes. In the first year, \$150,000 was used to pay for a contractor to help develop the District’s WIOA state plan, which was not an approved use of this funding. The MOU in subsequent years continued to provide \$1.1 million to OSSE; it was not updated to include this \$150,000. At a minimum, in FY 2020 and the future, the WIC should include in its MOU with OSSE the base \$1.1 million, plus the \$150,000 enhancement identified by the committee, plus the \$150,000 it previously retained; and the WIC should potentially also include in the MOU the \$250,000 previously used for the COP contract.

In addition to restoring funds for the CPIF in the amount of \$1,500,000, the committee has provided an additional \$150,000 to expand the availability of the program to more jobseekers. The committee recommends that the full Council provide an additional \$850,000 to expand the CPIF by \$1,000,000 in total. Approximately 24 additional individuals can be served for each \$100,000 added, according to past overall spending and numbers of participants.

2. The proposed budget for the WIC is insufficient

The mayor’s FY 2020 proposed budget for the WIC is insufficient for a fully functional workforce board, especially one that must fulfill both state and local board functions. The FY 2018 revised budget was \$5 million. The FY 2019 proposed budget was \$1.4 million; the WIC later received \$916,000 in federal funds via Intra-District transfer from DOES,¹⁴⁰ and the committee further enhanced the WIC’s FY 2019 budget to provide funding for special projects, such as the CPIF and a grant to DC Central Kitchen, bringing its total to \$5 million. The FY 2020 proposed budget is again \$1.5 million. The committee understands that this will be supplemented by \$1.057 million in federal WIOA funds to be transferred by DOES to the WIC. An oversight resulted in this funding not being loaded into the WIC’s FY 2020 proposed budget, despite a letter of intent signed by both agencies. These funds will be used in large part to pay for required contracts, such as that for the One-Stop Operator, which is \$600,000 per year.

After accounting for some additional planned contracts, there will be no funding available for grantmaking, which the WIC director testified to at the budget hearing. However, as discussed below in policy recommendations, workforce boards are often a source of funding for workforce programs, and the committee would like to see the WIC continue to do grantmaking.

¹⁴⁰ This amount was based on the Letter of Intent signed in late 2018; however, the WIC’s final MOU with DOES is for \$1.057 million. See “Memorandum of Understanding Between Deputy Mayor for Greater Economic Opportunity Workforce Investment Council and Department of Employment Services,” November 2018.

The committee is concerned that the WIC is not receiving an adequate portion of WIOA funds provided to the District; it expressed this concern in its FY 2019 budget report, as well. The following table outlines the WIOA State-level funding (for at least several years the WIC has received portions only of state funding, not also of the local funding which is considerably more money).

WIC Portions of WIOA State-Level Funds, FY16-FY19

	<i>FY16 (PY15)</i>	<i>FY17 (PY16)</i>	<i>FY18 (PY17)</i>	<i>FY19 (PY18)</i>
Total state WIOA funds	\$1,462,853	\$2,727,962	\$2,964,468	\$3,267,492
WIC's amount of state WIOA funds	\$543,545	\$797,822	\$1,057,457	\$1,057,457
WIC's portion of set-aside	37%	29% ¹⁴¹	36%	32%

Source: Workforce Investment Council, "Responses to Fiscal Year 2018-2019 Performance Oversight Questions," Feb. 19, 2019, Q. 57 Attachment, "WIOA Funding, FY16-19," at p. 334, available at <http://dccouncil.us/wp-content/uploads/2019/02/wicatt.pdf>.

The committee is unable to identify funds to enhance the WIC's grantmaking budget beyond CPIF, but the committee will pay close attention to the federal funding to ensure that planned intra-district transfers are made, to determine the appropriate portion of WIOA funds, and to review the process and any formula by which federal funds are distributed among agencies.

3. Transfer all funds to a new program code

The Workforce Investment Council budget will fall within the budget of the Deputy Mayor for Education (DME) in FY 2020; it was previously within the budget of the Deputy Mayor for Greater Opportunity (DMGEO) in FY 2016-2019. In the FY 2020 budget, the WIC's budget is proposed as an activity line within the DME budget. The WIC is a quasi-independent agency with a voluntary, private-sector Board Chairperson and majority non-government Board members. To increase transparency and make it easier to find and track budgets and expenditures, as well as in recognition of the importance of the WIC, the committee recommended to the Office of the Chief Financial Officer that the WIC's budget be transferred from an activity level to its own program code, as it was in DMGEO's budget, so that its entire budget could be found at the program level. The errata letter filed with the Council included this move. The committee recommends transferring all funds from Activity 2012 within Program 2000, to Program 3000, with the same CSG codes.

¹⁴¹ Note that the FY2017 MOU between DOES and the WIC stated that DOES agreed to transfer \$797,000, which "equates to 60 percent of the State set-aside for federal program year 2016," however, as the table shows, the amount actually equated to 29 percent.

b. Policy Recommendations

1. Take the lead on creating and operationalizing career pathways, including for specific projects such as the St. Elizabeths hospital

The District needs a single entity that is focused on helping District residents benefit from economic growth as well as public investments, and ensuring that residents can fill the jobs created now and in the longer term. The WIC has the potential to be this entity, given its mandate to provide strategic leadership and accountability to workforce development in the District, as well as its membership consisting of business leaders and public and private sector workforce partners. The WIC should make it a top priority to lead on development of all the different elements of the planning and implementation of a District-wide workforce development strategy and to coordinate the various participants.

One of the most important elements of a workforce development strategy is the development and implementation of “pipelines” or “pathways” for jobs and careers.¹⁴² These would encompass the spectrum of workforce development, from recruitment, to training, to job placement, retention, and progression to higher-skilled jobs. The pathways allow individuals to enter at any educational level and to move up as they gain education and certifications. A key element is grounding such pipelines in the District’s economy, with pipelines in each of the identified high-demand industries. Further, pipelines may be developed for particular occupations that are important to the overall economy, but they may also be directed to specific projects, such as the hospital that the District will soon build on the St. Elizabeths campus with a \$300 million investment of public funds.

Whether for District-wide or project-based pathways, the WIC should conduct research and analysis to determine the appropriate pathways to invest in, based on analysis of current and future job availability, job quality (wages and benefits), and more. The WIC should identify points of entry to recruit trainees as well as employer partners to help provide work experience like internships and employment as part of or following completion of training programs. The WIC should also analyze education programs offering credentials in specified fields, current training capacity and potential capacity, and fill any gaps by directing training and programmatic funds as well as technical assistance to educational institutions and organizations that can provide quality services in those

¹⁴² Developing career pathways is also a key requirement of local workforce boards under WIOA. See U.S. Department of Labor, Employment and Training Administration, “Competitive Selection of a One-Stop Operator and Various Entity Roles – Additional FAQs” May 3, 2017, “4. What are the roles of and functions of the chief elected official, local fiscal agent, the one-stop operator and the local WDB?,” available at <https://www.doleta.gov/wioa/faqs.cfm>, which states “The many functions of the local WDB are set forth in WIOA sec. 107(d) and 20 CFR 679.370. These include, but are not limited to, hiring staff, developing the local plan; conducting workforce research and regional labor market analysis; convening stakeholders in the local workforce development system; leading efforts to engage with regional employers; *developing career pathways in conjunction with representatives of secondary and postsecondary education programs*; selecting providers of youth activities, training services, career services, and OSOs, and conducting oversight of activities and uses of funds in conjunction with the CEO” [emphasis added].

fields.¹⁴³ To develop pipelines, the WIC should also coordinate agencies, schools, and other organizations providing workforce services to participate in the implementation of those pipelines.

In its performance oversight hearing, the WIC director discussed some of the WIC’s ongoing work to develop career pathways. As part of its Career Pathways Taskforce work, the WIC has been working with a outside contracting firm to conduct research and analysis.¹⁴⁴ First, it has been working to develop career pathways “maps,” which outline the skills necessary for particular jobs, certification requirements, and the occupations available at different levels of education. The WIC has drafted maps in the transportation, security, and IT fields; it will next work to develop maps on health care, construction, and hospitality. While maps are a necessary component of pipelines, the WIC has previously developed career maps on multiple occasions.¹⁴⁵ During the performance oversight hearing, the committee chairperson repeatedly noted that the WIC has previously worked to create career pathways maps. The committee understands the importance of mapping, however, it is unclear as to why the WIC is undertaking this exercise yet again.¹⁴⁶ The WIC director indicated that these maps are a first step toward developing pipelines and pointed to an illustration of the full process for developing pathways.¹⁴⁷ The director testified to the WIC’s plans to begin the next phase—gap analysis of training services—and the committee supports this progress. The committee strongly encourages the WIC to swiftly complete its mapping exercise (or utilize already-existing maps), to complete the rest of its pathways research and analysis, and to begin implementation and operationalization of true career pipelines.

The committee also recommends that the WIC focus on creating career pipelines into large public projects such as the building and operation of the upcoming St. Elizabeths hospital. It could bring on a third party to implement this work as an intermediary, under WIC oversight. In this project, there will be hundreds of jobs in several high-demand sectors, during the build phase and operations phase, including construction, health care, and information technology jobs. The WIC, or a third party, should utilize this opportunity

¹⁴³ An example of the front-end analysis can be seen in: The Workforce Collaborative, “Greater Washington Works: IT and Health Careers with Promise,” Dec. 5, 2016, available at <https://www.issuelab.org/resource/greater-washington-works-it-and-health-careers-with-promise.html>.

¹⁴⁴ The Career Pathways Taskforce was created by statute in 2015 to develop strategies to provide career pathways programming to adults in need of basic skills education. See D.C. Code § 32–1661.

¹⁴⁵ For example, see the career maps in the District’s WIOA State Plan, Appendix 3: Career Pathway Profiles By Sector And Job Family, p. 298-311, available at https://dcworks.dc.gov/sites/default/files/dc/sites/dcworks/publication/attachments/WIOA_DC_Unified_State_Plan_Final.pdf. Also see Adult Career Pathways Task Force, “Strategic Plan,” Sept. 2015, Appendix E: Career Pathway Profiles By Sector And Job Family, pp. 63-75, available at <https://dcworks.dc.gov/sites/default/files/dc/sites/dcworks/publication/attachments/Career%20Pathways%20Strategic%20Plan%20Final.pdf>.

¹⁴⁶ Furthermore, there are at least 7 more mapping exercises currently underway across the government. The Deputy Mayor for Education has compiled a list of these. The Committee encourages DME to streamline these efforts to avoid duplication, which it already may be doing.

¹⁴⁷ See Workforce Investment Council, “Responses to Fiscal Year 2018-2019 Performance Oversight Questions,” Feb. 19, 2019, Q. 73 Attachment, “The Process to Establish Career Pathways,” at pp. 445, available at <http://dccouncil.us/wp-content/uploads/2019/02/wicatt.pdf>.

to identify the job openings in specific occupations, the relevant skill requirements, the current training capacity, and training gaps. The WIC should then work to implement—or oversee a third party to implement—pipelines by identifying on-ramps for District residents; coordinating funding for workforce development in relevant occupations; bringing on more and better quality training providers in certain jobs when necessary; and coordinating employers, community organizations, training providers, and District agencies.

2. Release Transparency Act on time; ensure it is complete

The WIC is responsible for implementation of L22-0095, the Workforce Development System Transparency Act. This law requires the development of an annual report, the Workforce Development System Expenditure Guide, on all aspects of the District’s public workforce development system, including programs, services, participants, and performance results. The committee notes that the definitions of key terms, such as “workforce development” are purposely broad, meant to encompass all programs that provide any service that supports and increases the capacity of individuals to enter and remain a part of the labor market, with limited exclusions. As such, the programs to be included in the report are not just occupational training programs, but should include job readiness and preparation, job search assistance, subsidized employment, and more.

The first report was due on Feb. 1, 2019, covering seven agencies that are most central to the public workforce system.¹⁴⁸ The law was fully funded in the FY 2019 budget, yet the WIC, under previous leadership, did not start the process to gather the necessary information from these agencies until November 2018. This is despite the fact that the project started with existing staff and not with new hires, as anticipated by the Fiscal Impact Statement.

Under new leadership starting in January of this year, the WIC determined that there were a number of data problems that would result in delays of the report’s publication. The committee understood these challenges and commends the WIC for wanting to issue a quality report. However, as of the budget hearing on April 22 (public witnesses) and April 24 (government witnesses), the report was still not delivered to Council or the public. The consequence is that the information was not available during the 2019 performance oversight season for review, analysis, or discussion at performance oversight hearings, and yet another performance oversight and budget process went by without the ability to analyze our investments—where they are, where there are gaps, and what their outcomes have been. This is a tremendous lost opportunity, both to the committee and the public, as well as to the agencies, which could have had consistent, reliable data available for the Council to review.

The next iteration of the Workforce Development System Expenditure Guide, due Feb. 1, 2020, will require coverage of all workforce development or adult education

¹⁴⁸ Note that one of the agencies, DMGEO, no longer exists.

programs at all District agencies, not just the original seven. For the next version of the report, the WIC must ensure it is complete and includes all required agencies, programs, and data elements. Furthermore, the WIC must start early and complete it on time, making it available to the Council and the public no later than the Feb. 1, 2020, deadline.

3. Engage with Deputy Mayor for Education to delineate roles and responsibilities of WIC and DOES within the legal parameters of WIOA, and to foster coordination, cooperation, and information-sharing

The District’s workforce development system consists of several agencies across the government. Two important agencies—WIC and DOES—are now in the “cluster” headed by the Deputy Mayor for Education (DME). DOES is central to the workforce system, as the leading provider of job training and related services, as well as the home of the four American Job Centers. The WIC has a business-led board responsible under federal and District law for strategic planning and oversight of the workforce system, which include many DOES activities. This creates a structural tension that can impede an accountability-driven system. Additionally, as the fiscal agent for WIOA Title I, DOES has control over funding and as a result, the WIC is at a disadvantage in providing oversight of an agency that holds the purse strings and adequate portions of funding needed to carry out its duties (see further discussion of funding in Budget Recommendation 3 in this chapter). Furthermore, the District is currently not meeting numerous statutory obligations under WIOA and District laws. For example, DOES has taken on some duties that belong to the WIC, primarily in its role as the local workforce investment board (see policy recommendation 4 for some examples).

Because both the WIC and DOES fall in the DME’s cluster, there is a role for the DME to play. The WIC should engage the DME to help delineate the roles and responsibilities of WIC and DOES, as spelled out in WIOA and D.C. Code. This delineation should be put in writing and made public. The DME can also help the WIC obtain an adequate portion of WIOA funds and information, such as performance data of training programs, from DOES that it needs to operate. The DME can also work to ensure that the WIC is respected by other agencies as the WIC exercises the authority for system accountability that is afforded to it by both federal and District law. Where there are outstanding questions not answered by existing laws, the DME should help DOES and the WIC come to agreement in writing and should recommend legislation to the Council to consider and potentially codify. The committee further encourages that the DME seek external, expert guidance to help interpret the vision and legal requirements of WIOA.

More generally, the DME could also help ensure that the WIC is the lead entity for boards or committees with a workforce lens that operate across agencies, as well as the leader or coordinator for functions or operations, such as employer engagement, that are currently duplicated across agencies.¹⁴⁹

¹⁴⁹ An example is the Youth Apprenticeship Advisory Committee (YAAC). While the law itself housed the YAAC in DOES, future such committees could be led by the WIC.

4. *Coordinate agencies to create an aligned workforce system, and participate in grantmaking and provider selection as required by local and federal law*

The WIC should work with District agencies to coordinate workforce development programming, particularly grants and contracts to service providers such as job training organizations. The WIC should strive to form a true workforce *system*, in which services and programs are aligned. At the very least, there should not be duplication of services and programs. Indeed, this is Goal number 1 of the District’s WIOA State Plan: “System Alignment Goal: District agencies form an integrated workforce and education system that delivers coordinated, accessible, and effective workforce and education services through clearly defined roles and transitional supports throughout the provision of a continuum of services.”

The WIC should explore different models of workforce development to determine how to fit them together across agencies and which are the best choice for particular circumstances. For instance, the intermediary model may be the best approach to develop qualified candidates for the construction of publicly-funded projects, as a companion to the hiring requirements of the District’s First Source law. A sector partnership model may be the best approach to form the underlying framework of an industry-wide career pathway in one or all of the six high-demand industries. Ad hoc, cohort-based training may be the best approach for meeting the demands of a particular subindustry.¹⁵⁰

The WIC should also meet related, specific requirements under District and federal law related to grantmaking and provider eligibility determination or provider selection. Notably, District law authorizes DOES to issue grants “in coordination with the Workforce Investment Council” if they are funded with WIOA funds, but the WIC hasn’t been part of grantmaking with federal funds.¹⁵¹ WIOA requires that the WIC determine the providers eligible to provide job training services under WIOA Title I via Individual Training Accounts—which the WIC currently does.

Additionally, federal WIOA law requires that the local workforce development boards “shall identify eligible providers” and “shall award grants or contracts on a competitive basis to providers” of *youth* workforce investment activities.¹⁵² In its

¹⁵⁰ For example, utility contractors (employers) have approached the Committee to express the need for gas pipefitters. The committee was unable to find any such training in the Washington area; thus the WIC may want to start funding such a program, in partnership with the utility contractors.

¹⁵¹ D.C. Code § 1–328.05(a).

¹⁵² 29 USC §3122 Functions of Local Board states:

“(10)(B) Selection of Youth Providers.—Consistent with section 123, the local board— (i) shall identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis (except as provided in section 123(b)), based on the recommendations of the youth standing committee, if such a committee is established for the local area under subsection (b)(4); and (ii) may terminate for cause the eligibility of such providers” [emphasis added].

29 USC §3153. Eligible providers of youth workforce investment activities:

performance oversight response to a question if “all [youth workforce investment activities] providers [were] selected by DOES (either directly through OCP or directly),” the WIC responded, “Yes.” However, the WIC also stated that it was “not out of compliance with the requirements of WIOA.” Given that it is DOES, and not the WIC, selecting the youth workforce investment activities providers, these two statements provided by the WIC cannot both be true, in light of the requirements of WIOA. As such, the WIC should review its requirements under WIOA and take steps to meet them.

5. Continue to do grantmaking and improve the grantmaking process

In early 2019, the WIC undertook grantmaking to fund Strategic Industry Partnerships. These grants fund organizations who provide industry-informed training in D.C.’s high-demand occupations. The WIC awarded grants to four local organizations, including one employer-led group. Grants were made in the fields of hospitality, security, information technology, and infrastructure. The WIC should continue its grantmaking in coming years, utilizing a combination of local and federal funds to pilot new initiatives and/or work across agencies to provide programming on a systemic level. However, the WIC director testified at the budget hearing that the WIC does not have funds its FY 2020 proposed budget in order to provide grants, and the committee was unable to identify additional funds for this purpose.

It is important for the local workforce board to pilot initiatives, particularly using a grant or training model that the WIC is advancing, and develop partnerships in the workforce system outside agency siloes. Many community members would like the WIC to continue to provide grant opportunities. The Mayor did not provide funding for grantmaking in the FY 2020 budget, but the committee understands that the WIC may be able to leverage some of its WIOA funds that are passed through DOES to do grantmaking. The WIC could also work with other agencies through MOUs by providing services that the agencies support financially and conceptually.

The committee understands that the grantmaking process could use some guidance and improvements, that the WIC is aware of this, and that work is underway to do so. The committee supports this and also recommends that WIC staff engage board members who

“(a) In general. From the funds allocated under section 3163(b) of this title to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth workforce investment activities identified based on the criteria in the State plan (including such quality criteria as the Governor shall establish for a training program that leads to a recognized postsecondary credential), and taking into consideration the ability of the providers to meet performance accountability measures based on primary indicators of performance for the youth program as described in section 3141(b)(2)(A)(ii) of this title, as described in section 3112(b)(2)(D)(i)(V) of this title, and shall conduct oversight with respect to such providers.

“(b) Exceptions. A local board may award grants or contracts on a sole-source basis if such board determines there is an insufficient number of eligible providers of youth workforce investment activities in the local area involved (such as a rural area) for grants and contracts to be awarded on a competitive basis under subsection (a).”

are experienced in grantmaking and other experts to help improve its Request for Applications and overall grantmaking process.

6. *Include meaningful community input in the next iteration of the District's WIOA state plan*

WIOA requires states to develop four-year plans for their workforce systems. The District's original WIOA state plan was issued in 2016. It was updated in 2018. Unfortunately, the update process did not involve meaningful community input. While meetings or "input sessions" were held, no proposals for changes to the plan were presented, nor was there any discussion centered on the plan itself.¹⁵³

The WIOA state plan will need to be updated by early 2020, pending guidance from the U.S. Departments of Education and Labor. The committee recommends that the plan be Board-driven with staff guidance, rather than staff-driven. Furthermore, the committee strongly recommends for this next iteration of the plan that the WIC organize multiple opportunities for input on the front end from community members, including training providers, jobseekers and training participants, and other community organizations. These could potentially be organized around each high-demand industry. Private organizations helped facilitate and host community input forums for the original state plan, and the WIC should explore engaging them again.

The WIC should also seek feedback from the public on proposed changes to a draft plan from these stakeholders; it should provide redlined versions of the plan or provide detailed information to explain any proposed changes. Finally, the WIC should provide the public adequate time to review and comment, and it should utilize the public comments to update the plan. Board members should also have sufficient lead time to review drafts and provide meaningful input as well as to approve final documents.

The committee understands that the WIC plans to contract with an outside entity on development of the state plan. The committee recommends that the WIC Board lead on deciding whether to do so and what specific functions the contractor should play, such as taking the lead on organizing feedback and comment sessions, doing the actual writing, or other functions.

¹⁵³ For further discussion, see the FY 2019 Report and Recommendations of the Committee on Labor and Workforce Development, May 2, 2018, p. 86, available at <http://lims.dccouncil.us/Download/39945/B22-0754-CommitteeReport6.pdf>.

7. Provide accountability and oversight to the workforce system

a. Staff should provide WIC board with detailed performance, funding, and federal oversight information

The WIC board relies on the WIC staff to provide the information and data it needs to fulfill its responsibilities under both federal and District law. The board has a great deal of responsibility. It acts as both a state workforce development board as well as a local workforce development board. The state functions focus on strategy and accountability, and the local board functions on active engagement in the workforce system, including selecting and reviewing performance of training providers, setting budgets, and more.¹⁵⁴ The board is required under federal law to be business-led; the vision of WIOA is that employers will provide the guidance and oversight necessary so that the workforce development services provided meet the needs of the local economy. When the board does not have the information or guidance it needs to function, it cannot meet its responsibilities. Board members have repeatedly raised this concern at board meetings and at nearly every meeting, members have requested performance and budget information.

The Board must have the information it needs to understand the entirety of the system, make strategy decisions, and provide oversight and accountability. The WIC staff must provide detailed, regular performance, budgetary, and other information to the Board. This should include information on all WIOA programs and all AJC partners, such as the Department of Human Services' TANF Employment and Training program—one of the largest workforce programs by participant numbers and funding levels—as well as locally funded programs like Project Empowerment and Career Connections at DOES. The Board should receive information on services, training providers, numbers of participants, performance outcomes, spending, and more. This should be a regular part of information sent to board members in advance of quarterly board meetings.

One specific priority is to provide detailed information on the Eligible Training Providers (ETPs), for which the WIC is responsible under WIOA for selection and oversight of providers. The ETPs provide training services under WIOA Title I. They are a key element of the workforce system. The WIC's Economic and Workforce Alignment committee is responsible for approval of ETPs to add to the list, as well as review of existing ETPs' performance to determine if they should remain on the list. This information should also be presented to the full board on a quarterly basis. The new WIC director has begun to share information at Board meetings, and the committee supports this.

In addition to programmatic and performance information, the staff should provide copies of federal oversight documentation, such as the Quarterly Letters provided by the Department of Labor's Employment and Training Administration and oversight correspondence from the Department of Education. Much of this information must be obtained first from DOES or the DME (who receives the federal WIOA correspondence). As such, those agencies' cooperation with the WIC in sharing information is essential.

¹⁵⁴ See WIOA Section 111 (29 USC §3111) for state board responsibilities WIOA Section 122 (29 USC §3122) for local board responsibilities.

b. Board should review performance information to improve or cut providers and direct programming

When the Board obtains the information it needs, it should then conduct the performance analysis and provide the accountability envisioned in WIOA. The Board should establish a process to do so on a regular basis. It should be empowered to approve new programming or halt unsuccessful programs, including those programs outside of the ETPL/Individual Training Accounts under WIOA Title I.

8. *Improve American Job Centers*

A central element of any state’s or jurisdiction’s workforce development system is the American Job Centers (AJCs). The District has four such centers. They are operated by DOES, but under WIOA, the WIC has responsibilities as both a state and local board for ensuring the optimal functioning of AJCs and continually improving them. AJCs are dual-customer, serving both jobseekers to find employment and businesses to find qualified workers. It is critical that the WIC Board be clear about its functions related to the AJCs at both the state and local levels and actively fulfill those functions. There must be sufficient segregation of duties among the different actors to allow for internal and external accountability. Strategies to accomplish this follow.

a. Conduct active oversight of the One-Stop Operator

In late 2017, the WIC contracted with the firm DB Grant Associates to serve as the One-Stop Operator (OSO) for the District’s AJCs, which are run by DOES. An OSO is required under WIOA. Because the AJC staff provides direct services, the OSO’s role is largely to coordinate services, as well as to help the WIC provide oversight of the AJCs by analyzing service delivery quality, collecting data on AJC and programmatic performance, making recommendations for continuous improvements, and reporting to the WIC board on these items.¹⁵⁵

Unfortunately, in 2018 the OSO was unable to fulfill many of its contract deliverables. As discussed in its 9-month progress report, it made numerous requests for data and information to the AJC managers and DOES leadership, but these requests were not approved.¹⁵⁶ Unfortunately, these problems were not communicated to the WIC board, nor was the 9-month progress report shared with the Board. Not only was the Board in the dark, but this meant it was unable to take a role in rectifying the situation. In the future, the WIC staff must take a more active role to ensure that the Board is informed regularly of

¹⁵⁵ The original contract is available to view at http://app.ocp.dc.gov/Award_attachments/CW67028-Base%20Period-Contract%20Award-Grant%20Associates-DCEB-2017-C-0004-One-Stop%20Career%20Ctrs%20Op-executed%209-18-17.pdf.

¹⁵⁶ Grant Associates, “DC One-Stop Operator Nine-Month Progress Report 9/15/17-6/15/18,” p. 286 of the attachments to the WIC’s FY28-19 performance oversight responses, available at <http://dccouncil.us/wp-content/uploads/2019/02/wicatt.pdf>.

the OSO's activities, results of its work, and any challenges it is facing, so that the board can utilize any information provided or rectify any problems.

b. Work with DOES to ensure OSO can meet the terms of its contract

The Board and WIC staff must also ensure that the OSO has the tools, information, and authority it needs to do its work. Because the contract between the WIC and Grant Associates does not include DOES, the committee recommends that the WIC develop a Memorandum of Agreement or other written agreement with DOES that lays out the specific roles and responsibilities of each entity, as well as the data and other information that DOES will provide to the OSO. Furthermore, the committee recommends that the WIC staff present regular reports to the Board on the operations, findings, recommendations, challenges, and any other information about the OSO's work, to ensure the terms of the contract are being met.

c. Develop AJC evaluation criteria as required under WIOA

Finally, a large part of the OSO's role is to help the WIC achieve one of WIOA's key requirements: to continually improve AJCs and the services they provide. Specifically, the WIC, as the State Workforce Development Board (WDB) recognized under WIOA, should set criteria by which to assess the AJCs, evaluate the AJCs, and use those evaluations to drive continual improvements. The WIC should undertake this process in the coming years. Related U.S. Department of Labor guidance follows:

The State WDB must establish objective criteria and procedures for the Local WDBs to use in evaluating the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery network (20 CFR 678.800, 34 CFR 361.800, and 34 CFR 463.800). The State WDB must review and update the criteria and procedures every two years, in conjunction with review and modification of the State Plans. The Local WDBs must follow the State WDB's criteria and procedures (though Local WDBs are free to establish higher standards or additional criteria) to evaluate their one-stop centers and one-stop delivery network at least once every three years.

As part of that assessment, the local WDB must certify all comprehensive one-stop centers and affiliate one-stop centers within the local area for effectiveness, physical and programmatic accessibility, and continuous improvement, consistent with the statutorily required criteria of WIOA sec. 121(g)(2) and TEGL 16-16. The Department has defined physical accessibility and programmatic accessibility in the regulations implementing section 188 of WIOA, at 20 CFR 38.13.¹⁵⁷

¹⁵⁷ U.S. Department of Labor, Employment and Training Administration, "Certification of American Job Center FAQs," May 4, 2017, "1. What is the one-stop certification requirement?" available at <https://www.doleta.gov/wioa/faqs.cfm>.

9. Continue expansion of the ETPL, target priority occupational certifications and apprenticeships, coordinate with DOES so that local programs also utilize ETPs

The WIC is responsible for determining the job training providers that are eligible for funds under WIOA Title I Adult Individual Training Accounts (ITAs). The WIC compiles the providers on the Eligible Training Provider List.¹⁵⁸ The WIC's Economic and Workforce Alignment Committee is responsible for approval of ETPs to add to the list. In 2018, the WIC made great strides to expand the list, which will allow District residents to receive training from a larger pool of providers. The WIC should continue its expansion of the ETPL; however, it should also focus its efforts on adding providers that train for select occupations, based on criteria approved by the board. These criteria could include that the occupation is high wage, that the occupation has many job openings, that there is a lack of training slots, or other criteria. That is, the WIC should expand the list strategically.¹⁵⁹

Additionally, WIOA allows Registered Apprenticeships to be automatically added to the ETPL without going through the normal eligibility process (because they have already been deemed eligible for apprenticeship). There are hundreds of registered apprenticeship programs in the District, but only a few are on the ETPL. The WIC should work to add many apprenticeship programs, especially those that provide training in high-wage, high-demand occupations. Additionally, the WIC should ensure that the ETPL is accompanied by the information required by WIOA, including cost and performance information.¹⁶⁰

Finally, the WIC should work with DOES and other agencies that offer occupational skills training to develop one list of approved providers, or at least use one process and one set of criteria for selection of all providers who receive public funds from District agencies, whether federal or local. There are multiple reasons to do this: The first goal of the District's WIOA state plan is for system alignment, there are rigorous performance and other requirements for inclusion of providers on the ETPL, and the ETPL process is WIC board-led, and thus business-led. Rather than having multiple systems for selection of approved providers, agencies could utilize the ETPL to find providers. Not all

¹⁵⁸ The ETPL may be viewed at

https://dcworks.dc.gov/sites/default/files/dc/sites/dcworks/service_content/attachments/Training-Provider-List-%20August%202018.pdf.

¹⁵⁹ The WIC should also explore reciprocity with Virginia and Maryland, through which residents of all three jurisdictions could utilize any provider on any of their ETPLs.

¹⁶⁰ WIOA (29 USC §3152(d)) requires that a list of eligible training providers be "accompanied by information" to be provided to participants and members of the public. This shall include information provided by providers under 29 USC §3152(b) when they apply to establish their initial eligibility. That information must include, under §3152(b)(2): 1) performance information, 2) recognized postsecondary credentials, 3) cost of attendance, 4) program completion rates, and 5) other information necessary to establish eligibility criteria. The information must also include that required under §3152(b)(4): a) performance information, b) whether the program is in partnership in a business, c) quality of the program, and d) information related to alignment of the training services with in-demand industry sectors and occupations. See the U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 41-14, June 26, 2015, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_41-14.pdf.

quality providers want to be on the ETPL, because of bureaucratic hurdles related to the Human Care Agreement (HCA), access to only one type of funding (WIOA-funded ITAs), and historically, many ETPs have not received referrals to their programs after going through the effort of being added. An alternative to adding providers to the official ETPL could be for the WIC to vet potential providers by the same performance and other criteria. Once approved, the providers could then enter into a variety of financial arrangements with District agencies, not just HCAs.

10. Continue to actively involve board in grantmaking, contracting, and oversight of WIC funded programs

The WIC issues numerous grants and contracts each year including training and other workforce services, and operational work such as technical assistance. In the past, the WIC board has not been involved in these activities: it has not been part of decision-making of whether or what to fund, it has not been asked for input or feedback on the content of statements of work in solicitations or requests for applications, it has not been involved in selection of vendors or providers, and it has not even been informed that such processes have been occurring.

The committee is hopeful that under new staff leadership, this is beginning to change. In January, the WIC put out a Request for Applications to fund job training in the form of “Strategic Industry Partnerships.” Board members were invited to participate in the review of grant applications, and several did so. This is an excellent first step to board involvement in grantmaking and contracting. The committee would like to see WIC staff go further in the future by actively involving board members on the front, planning end, including statements of work, deliverables, and required performance; and continue involvement in application review and provider selection. The WIC executive committee should consider having the full board vote on award recommendations by grant or contract reviewers. When necessary, the Board can conduct votes in closed sessions to avoid sharing non-public information. Any grant or contract review or vote should involve a process to ensure there are no conflicts of interest or the appearance of a conflict of interest, as the WIC did in its review of the SIP grants. Staff should also provide regular information about the funding’s use and outcomes to the board for review, in order to determine if vendors and providers are meeting the terms of their contracts or grant agreements, and to determine if the funds were a good investment and meeting the desired results, as identified by the board.

11. Support WIC subcommittees and create goals and workplans

The WIC Board has multiple subcommittees, but these have been of mixed efficacy. In some cases, committees have not had a clear goal to work towards. In other cases, committees have not had the administrative support or issue-based guidance, grounded in WIOA requirements, that they need for success. Committees’ work has not always been translated into action, such as the Implementation Committee’s report on best practices for AJCs.

The WIC should establish goals for each committee, and each committee should establish a workplan. All committee members should be engaged. The WIC staff should provide necessary administrative support to help the committees accomplish their goals. The April 22, 2019, WIC board meeting included discussion indicating that steps in this direction are underway.

Finally, the committees must operate with a high level of transparency, following open meetings law requirements, particularly publicizing meeting dates, times, locations, and agendas; and allowing the attendance of non-committee members.

12. Review Career Pathways Community of Practice to determine whether to continue it before expending more funds, or whether to restructure it

As noted in the budget recommendations above, the committee recommends funding the Career Pathways Innovation Fund. The WIC has entered into annual contracts for the provision of a “Community of Practice” associated with the CPIF. The CPIF statute authorized expenditure of \$500,000 in FY 2016 for technical assistance (TA) and \$1.5 million per year in FY 2017 and each year thereafter. Specifically, TA funding was only authorized for the first year, FY 2016, while all funds in future years were to be used for the program itself.¹⁶¹ The WIC has funded technical assistance through a Community of Practice in each year from FY 2016 through 2019, in the amount of \$250,000 per year.¹⁶² An additional \$150,000 per year was retained by the WIC; in FY 2016, it was used to pay for a contractor to develop the WIOA State Plan. As noted above, the committee is pleased with the results of the CPIF program thus far and would like to see more people be able to take advantage of it. The \$400,000 could provide for a meaningful expansion of the program, of approximately 100 individuals, so it is important to make an informed decision on how to spend it.

Unfortunately, the committee has received feedback from COP participants that indicates the funding is no longer producing the required results. Specifically, the sessions are described as basic and have not provided information beyond what is available online, the COP has not provided organization-specific TA, and it has not helped organizations improve their services. Furthermore, as the CPIF program is in its third year, the needs of the current providers have changed since the program began.

There may be a reason to continue technical assistance and capacity building. For instance, developing a stronger peer learning network, providing one-to-one technical assistance by experts, or expanding the utilization of IET to additional District-based educational or training organizations may be of use.

¹⁶¹ The Code states that “In Fiscal Year 2016, the Council [i.e., WIC] shall solicit technical assistance to prepare for the issuance of the grants.” (D.C. Code §32-1605.01(b).)

¹⁶² Contract CW49607 for period 1/23/19 - 1/22/20 with Growth Transitions d/b/a Maher and Maher for Career Pathways Community of Practice, available at http://app.ocp.dc.gov/RUI/information/award/award_detail.asp?award_id=11692.

The committee strongly recommends that the WIC undertake a comprehensive review of the COP to make an informed decision if it should continue, if it should be restructured for the current participants, if should be used to expand IET by training more organizations on how to utilize the IET model that has been successful in the CPIF, or if it would be better to utilize the \$250,000 per year for the direct provision of services. The WIC should not execute an option year, renew the contract, or issue a new RFP unless and until it has conducted such a review and developed a plan for the funds that justifies spending the funds on TA rather than direct services.

3. FY 2020-2025 CAPITAL BUDGET

The WIC has no capital budget for FY 2020-2025.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

1. Fund and expand the Career Pathways Innovation Fund
 - *Increase* Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment): increase CSG 50 (Subsidies) by \$1,650,000 in recurring funds.
2. Transfer all funds to a new program code.
 - *Decrease* Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council) by \$1,500,430
 - *Decrease* PS budget by \$1,017,397 in local, recurring funds as follows:
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 11 (Regular Pay – Continuing Full Time) by \$665,898 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 12 (Regular Pay – Other) by \$177,715 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 14 (Fringe Benefits – Current Personnel) by \$173,784 in recurring funds.
 - *Decrease* NPS budget by \$483,033 in local, recurring funds as follows:
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 20 (Supplies and Materials) by \$10,500 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 40 (Other Services and Charges) by \$165,000 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 41 (Contractual Services – Other) by \$297,533 in recurring funds.
 - Reduce funding: Program 2000 (Department of Education), Activity 2012 (Workforce Investment Council): *decrease* CSG 70 (Equipment and Equipment Rental) by \$10,000 in recurring funds.

- *Increase* Program 3000, Activity 3012 by \$1,500,430
 - *Increase* PS budget by \$1,017,397 in local, recurring funds as follows:
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *decrease* CSG 11 (Regular Pay – Continuing Full Time) by \$665,898 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *decrease* CSG 12 (Regular Pay – Other) by \$177,715 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *decrease* CSG 14 (Fringe Benefits – Current Personnel) by \$173,784 in recurring funds.
 - *Increase* NPS budget by \$483,033 in local, recurring funds as follows:
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 20 (Supplies and Materials) by \$10,500 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 40 (Other Services and Charges) by \$165,000 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 41 (Contractual Services – Other) by \$297,533 in recurring funds.
 - Increase funding: Program 3000 (Workforce Investment), Activity 3012 (Workforce Investment Council): *Increase* CSG 70 (Equipment and Equipment Rental) by \$10,000 in recurring funds.

b. Policy Recommendations

1. Take the lead on creating and operationalizing career pathways, including for specific projects such as the St. Elizabeths hospital
2. Release Transparency Act on time; ensure it is complete
3. Engage with Deputy Mayor for Education to delineate roles and responsibilities of WIC and DOES within the legal parameters of WIOA, and to foster coordination, cooperation, and information-sharing.
4. Coordinate agencies to create an aligned workforce system, and participate in grantmaking and provider selection as required by local and federal law
5. Continue to do grantmaking and improve the grantmaking process
6. Include meaningful community input in the next iteration of the District’s WIOA state plan
7. Provide accountability and oversight to the workforce system
 - a. Staff should provide WIC board with detailed performance, funding, and federal oversight information
 - b. Board should review performance information to improve or cut providers and direct programming
8. Improve American Job Centers
 - a. Conduct active oversight of the One-Stop Operator
 - b. Work with DOES to ensure OSO can meet the terms of its contract
 - c. Develop AJC evaluation criteria as required under WIOA

9. Continue expansion of the ETPL, target priority occupational certifications and apprenticeships, coordinate with DOES so that local programs also utilize ETPs
10. Continue to actively involve board in grantmaking, contracting, and oversight of WIC funded programs
11. Support WIC subcommittees and create goals and workplans
12. Review Career Pathways Community of Practice to determine whether to continue it before expending more funds, or whether to restructure it

III. TRANSFERS TO OTHER COMMITTEES

In addition to the changes recommended for agencies within its jurisdiction, the committee has worked with other committees to identify funding needs and recommends transfers to support programs in those other committees as described below.

DCPS (GA0) AND DCPCS (GC0)

The committee recommends transferring the following amounts to the Committee on Education.

- \$1,000,000 in recurring funds to DCPS (GA0) and DCPCS (GC0) to assist in the implementation of the School Safety Act of 2018, in exchange for \$1,000,000 in one-time funds from the Committee on Education. This legislation is intended to greatly increase the safety of our school children by requiring public schools, private schools, and the Office of the State Superintendent of Education to prevent and address sexual abuse and student-on-student harassment. The bill primarily focuses on establishing specific procedures for prevention of sexual assault, identifying instances when they happen, and consistent procedures for notification and response to allegations of misconduct. The bill also requires Lead Education Agencies to provide training to staff and parents so they can better identify potential instances of abuse and respond appropriately. LEAs must also provide information about resources for students who have been abused or harassed. Lastly, the bill establishes a clear prohibition against hiring staff members of partner organizations if they have ever committed or been credibly accused of committing abuse of a child.
- \$88,185 in recurring funds to DCPS (GA0) to hire a work-based learning coordinator for DCPS's high school Career and Technical Education (CTE) programs in the Science, Technology, Engineering, and Math (STEM) fields. The new coordinator would serve the approximately 1,600 CTE students that will be in STEM programs in the 2019-2020 school year, including 700 students who have not previously had access to work-based learning opportunities. The increased need is largely due to Chancellor Ferebee's laudable goal of doubling the number of CTE programs that are NAF Career Academies, which are the gold standard in CTE. This effort is beginning in the 2019-2020 school year, when five CTE programs at Anacostia and Ballou High Schools in Ward 8 will be turning into new or merging into existing NAF academies at those schools, including in the living wage fields of computer science and automotive technology. The coordinator would support work-based learning activities for all STEM CTE programs, including job site visits, guest speakers, job shadow days, preparing students and employers for DCPS's summer Career Ready Internship program, implementing DCPS's *Tenacity* soft skills curriculum, and stewarding relationships with Academy industry advisory board members and others in the respective industry.
- \$88,185 in recurring funds for DCPCS (GC0). The committee's expectation is these funds be used for CTE as well.

PAY-AS-YOU-GO CAPITAL FUND

The committee recommends transferring the following amounts to the Committee of the Whole.

- \$12,900,000 (\$4.3 million each in FY 2021, 2022, and 2023), to PA0 (Pay-As-You-Go Capital Fund), Activity 1100, to be placed in those years in the DC Infrastructure Academy project. The committee recommends transferring the operating funds from the formerly-recurring programs mentioned in Chapter II.C, equal to \$4.3 million each in FY 2021, 2022, and 2023, to PAYGO funding in those years for the DC Infrastructure Academy.

REVENUE ADJUSTMENT-- WAGE GARNISHMENT FAIRNESS AMENDMENT ACT OF 2018

The committee has provided funding to implement the Wage Garnishment Fairness Amendment Act of 2018, which updated a decades old law that severely damaged lower income workers who were having their wages garnished. Wage garnishment occurs when a court orders an employer to divert wages of an employee to pay for a debt after a judgment has been entered. This law raised the minimum income threshold for garnishment from 30 times the federal minimum wage to 40 times the District's minimum wage. It also limited garnishment to 25 percent of an individual's marginal income over \$530 per week (\$39,000 per year annualized) and created exemptions for residents who would face a financial hardship due to a garnishment. This measure provides significant protection for those who low and moderate incomes while still allowing creditors to collect. The law requires a reduction of \$140,000 in recurring to account for revenue loss.

IV. BUDGET SUPPORT ACT RECOMMENDATIONS

On Wednesday, March 20, 2019, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2020 Budget Support Act of 2019” (Bill 23-0209). The bill contains 2 subtitles for which the committee has provided comments. The committee also recommends the addition of 7 new subtitles.

A. RECOMMENDATIONS ON MAYOR’S PROPOSED SUBTITLES

The committee provides comments on the following subtitles of the “Fiscal Year 2020 Budget Support Act of 2019”:

1. Title II, Subtitle N. Summer Youth Employment Program Supervisor Wages
2. Title VI, Subtitle F. Student, Youth, and Learner Transit Subsidy Programs

1. Title II, Subtitle N. Summer Youth Employment Program Supervisor Wages

a. Purpose, Effect, and Impact on Existing Law

The proposed subtitle would permit participants in the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) who are in supervisory positions to be paid up to the District’s minimum wage.

b. Committee Reasoning

MBSYEP participants in supervisory positions are currently paid at an hourly wage of \$9.25 to \$13.¹⁶³ The proposed subtitle which would allow these participants to be paid up to the minimum wage. Since 22 to 24 year old participants are paid the minimum wage regardless of job classification, the committee believes that it is appropriate to allow for supervisors to receive similar compensation. The committee has incorporated this proposal as part of its own subtitle; see Section B.2 below.

2. Title VI, Subtitle F. Student, Youth, and Learner Transit Subsidy Programs

a. Purpose, Effect, and Impact on Existing Law

This subtitle makes a number of changes to the District’s transit subsidy programs, specifically Kids Ride Free, the foster care transit program, the Summer Youth Employment transit subsidy, and the adult learner transit program. The subtitle largely consolidates and condenses existing laws, and removes sections of the laws that no longer are applicable. It also creates new subsidy floors for both the SYEP and adult learner transit subsidies.

¹⁶³ D.C. Code § 32-241(a)(1)(C)

b. Committee Reasoning

For decades, the District has had a variety of transit subsidy programs for students and other young District residents. Over the years, programs have been added or adjusted, and the District's transit providers have changed the types of products they offer. As a result, the code section authorizing these programs has become cluttered, disjointed, and out of date. This subtitle cleans up the code, replacing decades of old and outdated legislative language with a single new law covering the four main programs: Kids Ride Free, foster care subsidies, SYEP transit subsidies, and adult learner subsidies.

The District's Kids Ride Free program allows students to ride for free on Metrobus, DC Circulator, and Metrorail within the District of Columbia to get to school and school-related activities. To be eligible, students must be a resident of the District of Columbia between ages 5 and 21 enrolled in an elementary or secondary public, private, charter or parochial school located within the District, or homeschooled. Students in the program need to obtain a special Kids Ride Free SmarTrip card from the District, which allows them to travel for free throughout the city.

Foster children in the District also receive a special SmarTrip card, which allows them to travel for free on District transit systems.

Participants in the District's Summer Youth Employment Program do not receive free transit, as in Kids Ride Free. Instead, they receive a set subsidy for travel to and from their summer work sites. In FY 2019, participants, who are between ages 14 and 24, received \$110 pre-loaded on a SmarTrip card, to use for the duration of the program.

Finally, students enrolled in an adult learning program in the District receive a subsidy of \$50 a month for travel to and from class, similar to the SYEP program. Adult learners provide their own SmarTrip cards, and WMATA automatically loads the \$50 at the beginning of every month. Any unused funds revert back to WMATA and are credited to the District's account.

The Mayor's subtitle significantly revises the existing code, simplifying and cleaning up long-outdated language. The four programs largely stay the same, although the Mayor changes the Kids Ride Free program language to allow private school students to use Metrorail without paying a separate monthly fee. This fee was not bringing in significant revenue, but was making administration of the program difficult. Additionally, the Mayor prohibits students with access to the Kids Ride Free program from receiving the SYEP subsidy. This saves the District funds, since the District was essentially double-paying these students for transit benefits.

The committee recommends making a number of minor technical and drafting changes to the Mayor's subtitle, and makes several policy changes. Significantly, the subtitle requires the Mayor to provide a minimum of \$4 a program day to SYEP participants, giving them enough funds for roundtrip bus fare to their work sites. This increases the subsidy from \$110 per participant to \$116 per person.

Additionally, the committee recommends changing the Mayor's subtitle to increase the amount given to adult learners to \$60 per student per month. A significant number of students are currently using all of their \$50 monthly allotment, running out partway through the month. Additional funding will allow these students to keep going to class later in the month. The program can absorb this increase with its existing funds.

c. Section-by-Section Analysis

Sec. 6051. States the short title.

Sec. 6052. Provides definitions for the subtitle.

Sec. 6053. Requires the Mayor to enter into an agreement with WMATA for subsidized or free fares.

Sec. 6054. Establishes the Kids Ride Free program, and establishes eligibility for the program. The section also allows the Mayor to establish an application process, additional standards for eligibility, restrict usage of the subsidy, and impose a fee for issuance or replacement of the program card.

Sec. 6055. Establishes the transit subsidy program for children in the District's foster care system. The section also allows the Mayor to establish an application process, additional standards for eligibility, restrict usage of the subsidy, and impose a fee for issuance or replacement of the program card.

Sec. 6056. Establishes the transit subsidy for the Summer Youth Employment Program, sets eligibility, and creates a minimum amount of the subsidy. The section also allows the Mayor to establish an application process, additional standards for eligibility, restrict usage of the subsidy, and impose a fee for issuance or replacement of the program card.

Sec. 6057. Establishes the adult learner transit subsidy program, and sets eligibility requirements. The section also sets a minimum amount of the subsidy per month.

Sec. 6058. Allows the Mayor to issues rules to implement the act.

Sec. 6059. Repeals the existing legislative language governing these transit subsidy programs.

d. Legislative Recommendations for Committee of the Whole

Please also see Attachment A for the legislative language.

SUBTITLE F. STUDENT, YOUTH, AND LEARNER TRANSIT SUBSIDY PROGRAMS

Sec. 6051. Short title.

This subtitle may be cited as the “Student, Youth, and Adult Learner Transit Subsidies Amendment Act of 2019”.

Sec. 6052. Definitions.

For the purposes of this subtitle, the term “public transit services operated by the District government” means the D.C. Circulator bus system and the District’s streetcar system.

Sec. 6053. Transit subsidy agreement.

To accomplish the mandates of this subtitle, the Mayor shall enter into one or more agreements with the Washington Metropolitan Area Transit Authority for the transportation of elementary and secondary school students, adult learners, foster youth, and summer youth employees at subsidized or free fares.

Sec. 6054. Kids Ride Free transit subsidy program.

(a) The Mayor may establish a subsidy program, to be known as Kids Ride Free (“program”), under which District elementary and secondary school students shall receive free fares on the Metrorail system, Metrobus system, and public transit systems operated by the District government.

(b) To be eligible for the program, a student shall be:

(1) A resident of the District under 22 years of age; and

(2) Enrolled in one of the following:

(A) A traditional District of Columbia public school or public charter school;

(B) An alternative, adult, or special education District of Columbia public school or public charter school;

(C) A private school, including a parochial school in the District;

(D) An education program operated by the Office of the State Superintendent of Education; or

(E) Homeschooling in the District.

(c) The Mayor may require each student, student’s parent or guardian, or student’s school to file an application on behalf of the student to participate in the program.

(d) The Mayor may impose a fee for the issuance or replacement of a transit card.

(e) The Mayor may establish standards for eligibility to participate in the program and may impose such other restrictions on eligibility and the use of free fares, including limiting the use of free fares to educational and employment purposes, that the Mayor deems appropriate for the proper operational and fiscal administration of the program.

Sec. 6055. Transit subsidy for youth in the District’s foster care system.

(a) The Mayor shall establish a program to allow youth in the District’s foster care system to receive free fares on the Metrorail system, Metrobus system, and public transit services provided by the District government.

(b) To be eligible to participate in the program, the foster youth must be under 21 years of age.

(c) The Mayor may require each foster youth, or the foster youth’s parent or guardian, to file an application on behalf of the foster youth to participate in the program.

(d) The Mayor may impose a fee for the issuance or replacement of a transit card.

(e) The Mayor may establish standards for eligibility to participate in the program, and may impose such other restrictions on eligibility and the use of free fares,

including limiting the use of free fares to educational and employment purposes, that the Mayor deems appropriate for the proper operational and fiscal administration and of the program.

Sec. 6056. Summer Youth Employment Program transit subsidy.

(a)(1) The Mayor shall establish a program to allow participants in the Summer Youth Employment Program (“SYEP”) administered by the Mayor pursuant to section 2(a)(1) of the Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241(2)(a)(1)), to travel at subsidized or free fares on the Metrorail system, Metrobus system, and public transit services provided by the District government.

(2) The total subsidy provided to an individual pursuant to paragraph (1) of this subsection shall at least equal the cost of a roundtrip Metrobus fare for every program day of the SYEP.

(b) To be eligible to participate in the program, an SYEP participant:

(1) Must be 24 years of age or younger; and

(2) May not receive a subsidy pursuant to section 6054 or 6055 during the individual’s SYEP participation.

(c) The Mayor may require each SYEP participant or the SYEP participant’s parent or guardian to file an application on the SYEP participant’s behalf to participate in the program.

(d) The Mayor may impose a fee for the issuance or replacement of a transit card.

(e) The Mayor may:

(1) Establish standards for eligibility to participate in the program;

(2) Limit the use of subsidized fares to transportation to and from SYEP employment, internships, and related activities; and

(3) Impose such other restrictions on eligibility and the use of subsidized or free fares that the Mayor deems appropriate for the proper operational and fiscal administration of the program.

Sec. 6057. Adult learners transit subsidy.

(a) Subject to available funds, the Mayor shall establish a program for students of adult learning programs to receive subsidized fares on the Metrorail system, Metrobus system, and public transit services provided by the District government.

(b) To be eligible to participate in the program, a student shall be:

(1) Eighteen years of age or older;

(2) A District resident;

(3) Not eligible for a free fare pursuant to section 6054 or 6055; and

(4) Enrolled in an adult learning program that is operated by or receives funding from:

(A) A local education agency in the District, including the District of Columbia Public Schools or a public charter school;

(B) The District of Columbia Public Library;

(C) The Office of the State Superintendent of Education; or

(D) The University of the District of Columbia Workforce Development and Lifelong Learning Program.

(c) Beginning in Fiscal Year 2020, an eligible student shall receive a subsidy equal to at least \$60 per month for each month the student is enrolled in an adult learning program.

Sec. 6058. Rules.

The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules to implement the provisions of this act.

Sec. 6059. The School Transit Subsidy Act of 1978, effective March 6, 1979 (D.C. Law 2-152; D.C. Official Code § 35-231 *et seq.*), is repealed.

e. Fiscal Impact

The Mayor's subtitle saved the District \$362,000 in FY 2020, due to savings from the limiting Kids Ride Free participants from using the SYEP benefit. The committee's recommendation of increasing the SYEP benefit to \$4 a day costs \$17,070 in FY 2020. These funds are included in the subsidy portion of the SYEP budget in DOES (Agency CFO, Program 4000, Activity 4820, CSG 50). As a result, the subtitle saves, on net, \$344,930 in FY 2020, or \$1,379,720 over the four year financial plan.

B. RECOMMENDATIONS FOR NEW SUBTITLES

The Committee on Labor and Workforce Development recommends the following new subtitles to be added to the “Fiscal Year 2020 Budget Support Act of 2019”:

1. Universal Paid Family Leave Amendment Act of 2019
2. East End and Opportunity Youth Careers Amendment Act of 2019
3. Department of Employment Services Grants Transparency Amendment Act of 2019
4. Wage and Hour Education Grants Program Act of 2019.
5. Tipped Wage Worker Fairness Clarification Amendment Act of 2019
6. DC Central Kitchen Grant Extension Amendment Act of 2019
7. Pathways to District Government Careers Subject to Appropriations Repeal

1. Title X, Subtitle X, Universal Paid Leave Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle clarifies eligibility requirements under the Universal Paid Leave Amendment Act of 2016 by: (1) permitting individuals who are not currently employed to collect paid leave benefits and (2) restricting the Mayor from denying claims to those individuals based solely on their employment status. Specifically, this subtitle amends D.C. Code § 32-541.04 to explicitly state that individuals who are not currently employed may submit a claim for paid leave benefits as provided under the law, if that individual would have otherwise been eligible to collect. This subtitle also amends D.C. Code § 32-541.06 to restrict the Mayor from denying a claim from an individual solely because of that person’s employment status.

b. Committee Reasoning

In April of 2018, the Department of Employment Services released draft regulations to administer the city’s Paid Family Leave program, as required by D.C. Code § 32-541.02. Section 3300.1(c)(1)(B) of the draft regulations, required that an eligible individual be employed at the time of filing a claim. This provision meant that unemployed workers would be denied a paid leave benefit, despite the fact that his or her employer contributed to the system. This committee determined that this provision was in contradiction with the original intention of the law.

D.C. Code § 32-541.01(6)(A) defines an “eligible individual” as someone who has been “a covered employee during *some* or all of the 52 calendar weeks immediately preceding the qualifying event for which paid leave is being taken” (emphasis added). The inclusion of the word “some” serves two purposes. First, to ensure that an individual did not have to work for a certain period of time before being eligible for the benefit. This

would allow a new worker to take paid time, if needed.¹⁶⁴ Second, to ensure that a worker whose employer has been paying into the system would still be able to collect the benefit, regardless of whether or not they were working at the time they needed to take the benefit. This committee, and paid leave advocates, believed that the employment requirement in the regulations would likely lead to negative consequences. Not only did the requirement put D.C. out of sync with other paid leave programs in the country, there was a concern that eligible individuals would be shut out from receiving benefits if they lose their jobs. This includes workers who lose their jobs because they have a personal or family health situation. For example, under the proposed regulations, a pregnant retail worker who lost or had to leave her job because she couldn't stand all day would not be eligible for paid leave benefits once she gave birth—a time when she would need income the most. Throughout the debate around paid family leave, several organizations testified about the positive effects paid leave can have on low-income families. An employment eligibility requirement will likely have the hardest effect on low-income workers and counter the law's intention of providing a financial safeguard for those who need it the most during medical and family emergencies.

It is also worth noting that D.C. Code § 32-541.07(e) explicitly states that an individual receiving unemployment compensation is ineligible to receive a paid leave benefit. This addresses any concerns that a worker will try to unfairly receive multiple benefits or “double dip.” Given this, and the aforementioned reasons, this committee recommends an explicit change to the law, allowing unemployed individuals to have access to paid leave benefits.

c. Section-by-Section Analysis

Sec. XX01. States the short title.

Sec. XX02. Amends sections 104 and 106 of the Universal Paid Leave Amendment Act of 2016, effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code § 32-541.01 *et seq.*)

Subsection (a) adds a new subsection (d-1) to section 104 to clarify that individuals who are not currently employed at the time of filing a claim with the paid leave administration may be able to collect benefits if they would be otherwise eligible to receive benefits.

Subsection (b) adds a new subsection (e-1) of section 106 to prohibit the Mayor from denying a claim for paid leave benefits based solely on the fact that the claimant is unemployed at the time of applying for benefits.

d. Legislative Recommendations for Committee of the Whole

See also Attachment A to this report.

¹⁶⁴ Some opponents of the law raised concerns with this provision because it meant that a person could collect benefits starting on day one of their employment. Because the benefit is proportional to the amount of wages earned, the Committee of the Whole believed—and this Committee agrees—that there is no incentive for a worker to take unnecessary leave.

TITLE XX. SUBTITLE XXXX. UNIVERSAL PAID FAMILY LEAVE
AMENDMENT ACT OF 2019

Sec. XX01. Short title.

This subtitle may be cited as the “Universal Paid Leave Amendment Act of 2019”.

Sec. XX02. The Universal Paid Leave Amendment Act of 2016, effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code § 32-541.01 *et seq.*), is amended as follows:

(a) Section 104 (D.C. Official Code §32-541.04) is amended by adding a new subsection (d-1) to read as follows:

“(d-1) Notwithstanding subsection (d) of this section, an eligible individual who is unemployed may submit a claim for his or her paid-leave benefits following a qualifying family leave event, qualifying medical leave event, or qualifying parental leave event; provided, that:

(A) The individual is otherwise eligible to receive paid-leave benefits under this act; and

(B) The individual shall not be entitled to receive payment for more than 8 workweeks total of paid-leave benefits in a 52-workweek period regardless of the number of qualifying leave events that occurred during that period.

(b) Section 106 (D.C. Official Code § 32-541.06) is amended by adding a new subsection (e-1) to read as follows:

“(e-1) The Mayor may not deny paid-leave benefits authorized under this act to an otherwise eligible individual solely on basis of the fact that the claimant is unemployed at the time of applying for benefits.”.

e. Fiscal Impact Statement

This subtitle has no fiscal impact.

2. East End and Opportunity Youth Careers Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle would make several changes to the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) and put structure around funding for the DC Infrastructure Academy and the Department of Employment Services' year-round youth program.

b. Committee Reasoning

1) Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP)

MBSYEP is a landmark program in the District. It serves more than 10,000 youth per year with employers, non-profit organizations, and other entities providing work readiness activities or work experience during 6 summer weeks. This subtitle has several components to enhance the program.

The committee would like to increase the number of youth who have the opportunity for quality placements. There are a variety of placements in MBSYEP, in the public and private sector, and a range of quality of experiences. This subtitle would require that at least 100 participants each year be placed with host employers that also employ registered apprentices. During the 2018 program, three unions hosted a total of 15 participants, all of whom entered the respective unions' apprenticeship program after the six weeks of MBSYEP.¹⁶⁵ These represent both quality summer placements as well as a direct connection to a living wage career; the committee believes that such opportunities should be available to as many participants as possible.

District of Columbia Public Schools runs a program called the Career Ready Internship (CRI), which works directly with its own set of MBSYEP employers, including some of those contemplated in this subtitle.¹⁶⁶ However, when DOES reports its list of host employers, it generally lists CRI instead of the specific host employer. Therefore, this subtitle would allow for some or all of the 100 youth to be placed via CRI at host employers that employ registered apprentices.

Second, the subtitle would allow "Opportunity Youth" (OY) to remain in MBSYEP for an additional six weeks. DC has thousands of these youth, who are 16-24, disconnected from both school and work, and have less than an associate's degree; they are among the highest need subpopulations in MBSYEP. While the DC Code limits the program to six weeks in length,¹⁶⁷ DOES has previously allowed for some 22-24 year-old participants to

¹⁶⁵ Department of Employment Services, "Youth Apprenticeship Advisory Committee 2018 Report," p. 3, available at https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/FY19%20YAAC%20Final.pdf

¹⁶⁶ See <https://dcpsinternships.org/for-interns/>

¹⁶⁷ § 32-241(a)(1)(B)

remain in the program until September 30, even those already working or who are in college. The committee believes that DOES should instead provide program extensions to OY of any age. This will give these youth more work experience to help them succeed in finding permanent employment. It could also afford an opportunity to MBSYEP staff to work more intensively with this population during the extension period—when they are the only program participants—and help them link to work, school, other DOES programs, or other meaningful opportunities.

Third, MBSYEP participants in supervisory positions are currently paid at an hourly wage of \$9.25 to \$13.¹⁶⁸ The Mayor proposed a subtitle N, which would allow these participants to be paid up to the minimum wage. Since 22-24 year old participants are paid the minimum wage regardless of job classification, the committee believes that it is appropriate to allow for supervisors to receive similar compensation and this subtitle would incorporate the Mayor’s proposal.

Fourth, this subtitle would require that the MBSYEP annual report be submitted to the Council no later than December 15, to allow the committee to review it prior to submitting performance oversight pre-hearing questions to DOES early in the year. (The report is currently due on February 1.¹⁶⁹) While DOES has submitted the report earlier each year, the Department has still missed the deadline, making it too late for the results to be incorporated into performance oversight hearings¹⁷⁰ and the Department has declined to discuss program outcomes in both responses to pre-hearing and in-hearing questions prior to release of the report. In several instances, the agency told the committee in performance oversight questions that the information we requested would be in the report, but it was not. The timing of the report made it difficult to get the information. The subtitle would also require that the new requirements to the program described above be included in the report, including the number of participants placed with host employers that also employ registered apprentices and the number of opportunity youth kept in the program for an additional six weeks.

Finally, DC Code also requires that DOES hire an independent contractor each year to evaluate MBSYEP.¹⁷¹ This subtitle would make changes to the timing and contents of the evaluations. The subtitle would require the contracts with evaluators to be entered into no later than December 1. The current June 1 deadline leaves little time to effectively evaluate the entirety of the program, which commences in late June, especially to incorporate the required pre-program survey of participating youth and employers.¹⁷²

The subtitle would require that the independent evaluations assess the effectiveness of the different models in imparting “soft skills” to see which models work and which

¹⁶⁸ D.C. Code § 32-241(a)(1)(C)

¹⁶⁹ D.C. Code § 32-241(g)(2)

¹⁷⁰ The 2016 report was submitted on June 30, 2017 <http://ims.dccouncil.us/Legislation/RC22-0062>; the 2017 report was submitted on April 20, 2018 <http://ims.dccouncil.us/Legislation/RC22-0166>; the 2018 report was submitted on March 8, 2019 <http://ims.dccouncil.us/Legislation/RC23-0038>.

¹⁷¹ D.C. Code § 32-244

¹⁷² D.C. Code § 32-244(a)

don't. Soft skills training is available to many MBSYEP participants through various mechanisms, including pre-program bootcamps, online modules, contracted services, and in-program instruction.

The subtitle would also require that the contractor evaluate the causes of participant attrition, which is a significant issue in the program, in which the numbers of participants drop from application, to certification, to work, to program completion.

MBSYEP Application, Participant, and Attrition Data, 2015-2018

#	2015	2016	2017	2018
Applicants	22,978	23,031	22,365	19,433
Eligible	16,523	14,760	14,296	12,528
Certified	14,029	13,017	12,669	11,357
Participants who began the program	13,230	12,128	11,477	10,159
Paid Week 1	12,853	11,646	11,194	N/A
Paid Week 6	11,330	10,116	9,527	N/A
Attrition (Paid Week 6 vs. Week 1)	-1,523	-1,530	-1,667	N/A
Attrition Rate (Paid Week 6 vs. Week 1)	11.8%	13.1%	14.9%	12.9%

Sources: MBSYEP annual reports¹⁷³ and committee conversations with DOES's Agency Fiscal Officer¹⁷⁴

Previous evaluations have called on DOES to study the possible causes of attrition, including the impact of the program's registration and documentation requirements. Over the past two years, numerous youth, parents, and non-profits have expressed frustration to the committee and testified in hearings that the registration and documentation requirements are often very burdensome. At DOES's performance oversight hearing, Director Morris-Hughes stated that the agency has looked into the issue but didn't provide any detailed information on their findings.

2) DC Infrastructure Academy

The DC Infrastructure Academy (DCIA) is a marquis workforce development initiative of the Bowser Administration that was launched in March 2018. This subtitle would put structure around the use of operating funds at DCIA in two ways.

¹⁷³ "Summer 2015 MBSYEP report," available at <https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/Summer%202015%20MBSYEP%20Report.pdf>;

"2016 MBSYEP Report," available at <https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2016%20MBSYEP%20Report.pdf>; "2017 MBSYEP Report," available at https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2017%20MBSYEP%20Report_r14_0.pdf; "2018 MBSYEP Report," available at https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2018%20MBSYEP%20Report_r7.pdf

¹⁷⁴ 2018 eligible figure from communication from DOES Agency Fiscal Officer to committee staff in a meeting April 4, 2018.

First, this subtitle would require that at least two-thirds of the individuals receiving occupational skills training through DCIA be trained in occupations that pay an average wage that is at least 150 percent of the minimum wage, which is currently \$19.87 and will rise to \$22.50 on July 1, 2020.¹⁷⁵ The committee believes that with the significant taxpayer and private investment in DCIA, residents should be trained for living wage careers that will provide them economic security in the long run.¹⁷⁶ However, the first year of training at DCIA shows that is not what has happened; rather, most training has been for lower-wage jobs.

In opening the academy, Mayor Bowser noted its promise as a source of high-wage careers. “In 2017, the District’s infrastructure sector included 6,753 jobs, with 2,231 job openings and only 1,246 hires, representing a shortage of nearly 50 percent in an industry with an average hourly wage of \$48.75.”¹⁷⁷ However, in FY18, 320 of the 396 individuals receiving occupational skills training at DCIA,¹⁷⁸ or 81 percent were trained to be construction flaggers,¹⁷⁹ a job that DOES has advertised as paying just \$16 an hour.¹⁸⁰ Of the seven classes DOES is offering at DCIA in April 2019, three pay only slightly above the minimum wage.¹⁸¹

¹⁷⁵ The committee intentionally used the word “through” instead of “at” DCIA. While DCIA is a physical building, it now has its own activity code in the budget (4260) and the DOES Director stated at the budget hearing that in FY20 some “DCIA training” will likely occur away from the physical location on Pomeroy Road in Anacostia. As one example, she stated that DOES may use the Department’s headquarters on Minnesota Avenue for computer training outside of business hours. Any training paid for out of the 4260 budget, including such computer training, would be subject to the requirements of this subtitle.

Further, the committee’s expectation is that all DCIA training be paid out of the 4260 budget. When DCIA opened in FY18 (prior to the establishment of activity 4260), training funds were paid out of DOES’s Local Adult budget (activity 4250). In fact, the first two training programs at DCIA (Solar Works and Pepco’s Quick Path to Energy) existed and were paid out of the 4250 budget prior to the launch of DCIA. In addition, DOES’s Agency Fiscal Officer told the committee that some of DCIA’s FY19 expenditures, including participant wages, had been paid out of the 4250 budget and had not yet been transferred to 4260. These expenditures would also be subject to the requirements of this subtitle.

¹⁷⁶ This includes \$5.2 million from Pepco’s merger with Exelon (see Department of Employment Services, “Mayor Bowser Opens the DC Infrastructure Academy,” March 12, 2018, available at <https://does.dc.gov/release/mayor-bowser-opens-dc-infrastructure-academy>) and \$4 million from Washington Gas’s merger with Alta Gas, see WGLH/AltaGas Merger Commitment Tracker, p. 3, available at <https://dcpsec.org/FC1142AtlasGas-WGLMerger>.

¹⁷⁷ Department of Employment Services, “Mayor Bowser Opens the DC Infrastructure Academy,” March 12, 2018, available at <https://does.dc.gov/release/mayor-bowser-opens-dc-infrastructure-academy>

¹⁷⁸ 46 individuals also received work readiness training, see DOES FY 2018-2019 performance oversight responses, page 58, available at: <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>.

¹⁷⁹ See DOES FY 2018-2019 performance oversight responses, page 58, available at: <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>

¹⁸⁰ Department of Employment Services, DCIA Advertisement, April 10, 2019, available at https://twitter.com/DOES_DC/status/1116038245996007425

¹⁸¹ Department of Employment Services, DCIA Advertisement, April 10, 2019, available at https://twitter.com/DOES_DC/status/1116038245996007425

The Department's FY19 training plan enabled the committee to calculate that only 34 percent of the 427 individuals slated to receive occupational skills training that leads to an industry-recognized credential this year will be for positions that pay at least 150 percent of the minimum wage. This subtitle would flip that percentage. The training plan states that 914 people will be trained,¹⁸² of which 427 individuals are expected to receive occupational skills training that the committee believes leads to a credential: 200 individuals will be trained in Flagging, 92 individuals in Information Technology, 80 individuals in Energy (50 in solar installation, 30 working on power lines¹⁸³), 25 individuals in Automotive,¹⁸⁴ and 30 individuals in Commercial Driver's License. Of these, the IT, power line, and automotive training (147 out of 427 or 34 percent) pay more than 150 percent of the current minimum wage;¹⁸⁵ the flagger, solar, and CDL training pay below.

In addition, several hundred people will participate in training that either doesn't lead to an industry-recognized credential or the Committee is unaware if it does because more details have not been provided. These include 227 individuals to be trained in job readiness, 110 individuals in University of the District of Columbia fundamentals courses, 100 individuals in CPR, and 60 individuals in "To be determined" Washington Gas and DC Water training. While the committee's expectation is that all occupational skills training will lead to an industry-recognized credential, this is not listed in the subtitle to ensure that training that doesn't lead to a credential is included in the subtitles requirements.

Second, this subtitle would require that grants and contracts that DOES awards for providers of occupational skills training through DCIA include a payment structure that requires payment of at least 25 percent of funds be based on achieving a performance outcome. Providers may achieve one of the following results: at least 75 percent of all participants receive an industry-recognized credential; at least 80 percent of all program completers enter permanent, unsubsidized employment; or at least 85 percent of all participants enter permanent, unsubsidized employment. The subtitle would also allow for providers to receive up to an additional 15 percent of the value of the award, if at least 50 percent of participants who were placed in permanent, unsubsidized employment retain that employment for at least 6 months.¹⁸⁶ The committee believes there is a need for these requirements following the DOES director's testimony at the budget hearing that of the nearly 500 individuals who completed training, only "more than 200" obtained unsubsidized employment. The committee believes that an approximately 40 percent job

¹⁸² The committee's understanding is that there is some double counting in this figure. For example, the DOES Director stated at the performance oversight hearing that the job readiness training mentioned below is a prerequisite to entering the occupational skills training.

¹⁸³ While the committee is not sure if the power line training leads to a credential, it is Pepco-related training, so there is relative confidence that it will prepare trainees for direct entry into employment.

¹⁸⁴ The committee's understanding is that there are three modules to the training, not that 75 unique individuals will be trained as DOES's figures on its training plan suggest.

¹⁸⁵ DOES's course list says that the automotive technology training pays \$19.02/hour, but what the committee found shows that it appears to pay an average of \$28.53 <https://www.bls.gov/oes/current/oes493023.htm>.

¹⁸⁶ DOES already has this authority; the committee has included it in the subtitle to emphasize the importance of employment retention.

placement rate is insufficient, especially with the partnership of companies like Pepco, WMATA, DC Water, and Washington Gas. In addition, the current DCIA contracts don't include job placement requirements.¹⁸⁷ While DOES does have staff to assist trainees with job placement, the committee believes that this provision of the subtitle would spurn both the training providers and the agency to do more to ensure that DCIA participants are job ready and assist them in obtaining unsubsidized employment.

3) Year-Round Youth

This subtitle would require that at least two-thirds of DOES's local funds for year-round youth training be used to serve in-school youth (ISY) who reside or attend a public school or public charter school in Ward 7 or Ward 8.¹⁸⁸ On the east end of the District, unemployment and underemployment are still far too high and the labor force participation is far too low. The committee regularly hears from youth who want opportunities to work year-round, outside of the six weeks of MBSYEP. The committee believes that youth should be exposed to the District's high-demand industries such as information technology and healthcare at an early age. This will help them take advantage of the city's strong economy and allow them to remain District residents at a time when the city is increasingly expensive to live in.

At least 75 percent of federal year-round youth funds must be spent on out-of-school youth (OSY), and there is no requirement for any of the money to be spent on ISY. Indeed, the Department's FY20 year-round youth (YRY) spending plan shows that no ISY will be served next fiscal year with federal funds. The plan shows that approximately 100 ISY and 200 OSY will be served with local funds. The committee believes that ratio should be flipped. The DOES director stated at the budget hearing that she would like to have a more-robust ISY program; the committee believes that this subtitle would help make that goal a reality.

The subtitle would also require that this funding be used for programming external to any funds DOES provides to DCPS's Career Bridge program.¹⁸⁹ Career Bridge is a program for seniors who attend one of the nine high schools with a college and career coordinator or four "opportunity academies."¹⁹⁰ The committee believes strongly in the Career Bridge program but wants to ensure that other students have access to year-round training and employment opportunities.

¹⁸⁷ See, for example, Excel Automotive Institute contract, available at http://app.ocp.dc.gov/Award_attachments/CW61756_ExecutedHumanCareAgreement-CW61756-ExcelAutomotiveInstitute.pdf; Training Zone of the DMV contract, available at http://app.ocp.dc.gov/Award_attachments/CW61756_ExecutedHumanCareAgreement-CW61756-ExcelAutomotiveInstitute.pdf

¹⁸⁸ In-school youth funds are available to serve District residents ages 14-21.

¹⁸⁹ In FY 2018, DOES spent \$42,000 on the Career Bridge program, see "DOES Responses to the FY 2018-2019 Performance Oversight Questions from the Committee on Labor and Workforce Development," February 15, 2019, Attachments Part 1, p. 244, available at http://dccouncil.us/wp-content/uploads/2019/02/doesatt_Part1.pdf. See also <https://dcpsinternships.org/career-bridge-program/>

¹⁹⁰ Ballou STAY, Roosevelt STAY, Washington Met, and Luke C. Moore

c. Section-by-Section Analysis

Sec. XX01. States the short title.

Sec. XX02. Amends The Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241 *et seq.*)

Subsection (a) redesignates the four sections of the existing code

Subsection (b) adds a new definitions section

Subsection (c) requires that at least 100 MBSYEP participants be placed with host employers that also employ registered apprentices; allows MBSYEP participants who are Opportunity Youth to remain in the program for up to 12 weeks; raises the ceiling on wages paid to MBSYEP participants in supervisory positions from \$13 per hour to the minimum wage. This subsection also requires that the Department of Employment Services spend 66% of its local year-round youth funds that are used for training on in-school youth who reside or attend school in Ward 7 or Ward 8. This subsection requires that at least 66% of the participants receiving occupational skills training through the DC Infrastructure Academy be trained in occupations that pay an average wage that is at least 150% of the minimum wage; at least 25% of the value of grants and contracts for occupational skills training providers be contingent upon providers achieving an outcome related to participant credential attainment or employment; and that those providers may be eligible for a bonus if their participants retain employment for at least 6 months. The subsection amends the MBSYEP annual report to add additional metrics related to the requirements of this subtitle, such as the number of Opportunity Youth in the program for 12 weeks, and changes the deadline for submitting the report from February 1 to December 15. Lastly, this subsection changes the deadline for contracting with an independent evaluator for MBSYEP from June 1 to December 1 and requires the evaluator to assess the various types of soft skills training programs offered to participants as well as the causes of participant attrition.

d. Legislative Recommendations for Committee of the Whole

Please also see Attachment A for the legislative language.

SUBTITLE XXXX. EAST END AND OPPORTUNITY YOUTH CAREERS

Sec. XX01. Short title.

This subtitle may be cited as the “East End and Opportunity Youth Careers Amendment Act of 2019”.

Sec. XX02. The Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241 *et seq.*), is amended as follows:

(a) Sections 2 through 2c (D.C. Official Code §§ 32-241 through 244), are redesignated as sections 2a through 2d, respectively.

(b) A new section 2 is added to read as follows:

“Sec. 2 Definitions.

“For the purposes of this act, the term:

“(1) “Average wage” means the average wage identified in the most recent edition of the U.S. Bureau of Labor Statistics’ State Occupational Employment and Wage Estimates for the District of Columbia.

“(2) “Date of enrollment” means the date on which a participant enrolls in the summer youth jobs program.

“(3) “Host employer” means a public or private employer that employs a summer youth jobs participant.

“(4) “In-school youth” shall have the same meaning provided in section 129(a)(1)(C) of the Workforce Innovation and Opportunity Act, approved July 22, 2014 (128 Stat. 1504; 29 U.S.C. § 3164(a)(1)(C)).

“(5) “Occupation” means the broad occupational code and associated title assigned to a particular category of work in the most recent edition of the Standard Occupational Classification Manual published by the U.S. Bureau of Labor Statistics.

“(6) “Opportunity Youth” means an individual who is an out-of-school youth at the date of enrollment in the summer jobs program, not regularly employed, and whose level of educational attainment is less than an associate degree.

“(7) “Out-of-school youth” shall have the same meaning provided in section 129(a)(1)(B) of the Workforce Innovation and Opportunity Act, approved July 22, 2014 (128 Stat. 1504; 29 U.S.C. § 3164(a)(1)(B)).

“(8) “Soft skills training” means age-appropriate, non-technical skills training that helps individuals succeed in the workplace and includes communication, time management, appropriate work attire, conflict resolution, and education on employers’ rights to conduct drug tests.”.

(c) Newly designated section 2a (D.C. Official Code § 32-241) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Paragraph (1) is amended as follows:

(i) Subparagraph (A) is amended by adding a new sub-subparagraph (v) is added to read as follows:

“(v)(I) At least 100 participants shall be placed with host employers that also employ registered apprentices.

“(II) Host employers may be those that participate in the summer youth jobs program through the District of Columbia Public Schools’ Career Ready Internship Program.”.

(ii) Subparagraph (B) is amended by striking the phrase “weeks.” and inserting the phrase “weeks; provided, that Opportunity Youth may be employed for up to 12 weeks.” in its place.

(iii) Subparagraph (C) is amended by striking the phrase “at an hourly wage of \$9.25 to \$13” and inserting the phrase “at an hourly wage of no less than \$9.25 and no greater than the minimum wage specified in section 4 of the Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code § 32-1003)” in its place.

(B) Paragraph (2) is amended as follows:

(i) Strike the phrase “In school” and insert the phrase “In-school” in its place.

(ii) Strike the phrase “An in-school” and insert the phrase “The Department of Employment Services shall implement an in-school youth” in its place.

(2) New subsections (a-1) and (a-2) are added to read as follows:

“(a-1) At least 66% of the local funds that the Department of Employment Services uses for training offered pursuant to subsection (a)(2) and (3) of this section each fiscal year shall be spent on in-school youth who are District of Columbia residents and reside or attend a public school or public charter school in Ward 7 or Ward 8, and who are not participants in the District of Columbia Public Schools’ Career Bridge Program.

“(a-2) The following standards shall govern occupational skills training provided pursuant to subsection (a)(5) through the D.C. Infrastructure Academy:

“(1) At least 66% of the participants receiving occupational skills training each fiscal year shall be trained in occupations that pay an average wage that is at least 150% of the minimum wage specified in section 4 of the Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code § 32-1003);

“(2) At least 25% of the value of each grant or contract with a provider of occupational skills training shall be contingent on the provider achieving at least one of the following results:

“(A) At least 75% of all the provider’s participants received an industry-recognized credential;

“(B) At least 80% of all participants who complete the provider’s program entered permanent, unsubsidized employment; or

“(C) At least 85% of all the provider’s participants entered permanent, unsubsidized employment; and

“(3) A provider of occupational skills training may be eligible for a bonus equal to up to 15% of the value of its grant or contract if at least 50% of its participants that entered permanent, unsubsidized employment retain that employment for at least 6 months.”.

(2) Subsection (g) is amended as follows:

(A) Paragraph (1) is amended as follows:

(i) Insert a new subparagraph (A-i) to read as follows:

“(A-i) The number of participants who were:

“(i) Opportunity Youth;

“(ii) Opportunity Youth who participated in the program for more than 6 weeks;

“(iii) Opportunity Youth who participated in the program for 12 weeks;

“(iv) Opportunity Youth who were referred to year-round training or education;

“(v) Placed with a host employer that employs registered apprentices; and

“(vi) Employed in supervisory positions;”.

(ii) Subparagraph (C) is amended to read as follows:

“(C) Participants’ employment following the end of the program, including the number of:

“(i) Opportunity Youth employed who participated in the program for longer than 6 weeks; and

“(ii) Participants who entered a registered apprenticeship program following placement with a host employer that employs registered apprentices.”.

(B) Paragraph (2) is amended to read as follows:

“(2) Beginning December 15, 2019, and annually thereafter, the Department of Employment Services shall publish the information collected pursuant to paragraph (1) of this subsection for the preceding summer; provided, that information responsive to paragraphs (1)(A-i) and (C)(i) and (ii) of this subsection may first be published in December 2020.”.

(d) Newly designated section 2d (D.C. Official Code § 32-244) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Strike the date “June 1, 2011” and insert the date “December 1, 2019” in its place.

(B) Strike the phrase “the summer” and insert the phrase “the next year’s summer” in its place.

(2) Subsection (b) is amended as follows:

(A) Paragraph (5) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(B) Paragraph (6) is amended by striking the period and inserting a semicolon in its place.

(C) New paragraphs (7) and (8) are added to read as follows:

“(7) The various types of soft skills training programs offered, including pre-program bootcamps, online modules, contracted services, and in-program instruction, to determine which models were most successful at imparting soft skills; and

“(8) The causes of participant attrition, including the impact of the program’s registration and documentation requirements on attrition.”.

(3) Subsection (c) is amended as follows:

(A) Strike the date “December 30, 2011” and insert the date “December 30, 2020” in its place.

(B) Strike the phrase “evaluation to the” and insert the phrase “evaluation conducted pursuant to subsection (a) of this section to the” in its place.

e. Fiscal Impact

The fiscal impact of this subtitle is \$11,000 per year for costs associated with the evaluation (Agency CF0, Program 4000, Activity 4820, CSG 40)

3. Department of Employment Services Grants Transparency Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle would amend DOES's grantmaking code by setting minimum timelines and advertising requirements to ensure a wide range of organizations have time to submit applications, ensuring integrity in the review process, and providing transparency around grant awards.

b. Committee Reasoning

DOES spends millions of dollars each year on grants to nongovernmental organizations to provide workforce development services for youth and adults, occupational skills training, and other employment-related services. The process the Department undertakes to give out these funds are of concern to the committee.

The committee believes changes are necessary due to insufficient safeguards in the Grant Administration Act of 2013, which applies to all grants issued by the District. Many organizations have told the committee that they don't apply for DOES grants anymore because they believe the application process is biased and unfair; Requests for Applications are issued ad hoc with little advertisement and short windows for response. This discourages a true competitive process that might benefit District residents from getting the best program. It also raises serious questions about how funds are spent and whether they are being used wisely and on quality services by quality organizations. The goal of this subtitle is to set minimum standards for DOES's grantmaking process. This subtitle would improve DOES's grantmaking in several ways.

First, this subtitle would require that the Department's Requests for Applications (RFAs) be open for at least 30 days, posted on DOES's homepage, and advertised widely, including on social media. The committee often sees solicitations that are open for a short window of time. This raises questions about the award selection process. As one recent example, DOES released a Request for Applications on April 10, 2019, for a series of workforce intermediary initiatives, and a Letter of Intent had to be submitted two days later.¹⁹¹ Under this subtitle, a pre-application conference would have to be held at least 14 days later, at least 7 days prior to the deadline for submitting a letter of intent (if one is required), and at least 14 days before the application deadline. This will give applicants more time to prepare an application. Currently, the Grants Administration Act of 2013 states that notice should be published in the DC Register "for a minimum of 14 days in advance of making or issuing a grant...;"¹⁹² however, 14 days before issuing a grant could be after a Letter of Intent or even the application is due if the application period is very

¹⁹¹ See DC Department of Employment Services Workforce Development Bureau, "2019 Intermediary Initiative" Request for Applications, April 10, 2019, p. 3, available at <https://opgs.dc.gov/sites/default/files/dc/sites/opgs/publication/attachments/2019%20RFA%20-%20Workforce%20Intermediary%20Initiatives.pdf>

¹⁹² DC Code § 1-328.13

short. The Act also contains none of the additional timing provisions outlined in this subtitle.

Additionally, the committee is aware that many grant solicitations are communicated only to select organizations, often by email; RFAs are not posted on a webpage directly linked from the homepage.¹⁹³ In combination with the short timeframes before applications are due, this makes it extremely difficult for organizations who are not given an active notice of the grant availability to learn of the grant and then to prepare an application.

Second, this subtitle would require DOES to verify past performance, including confirmation from grantors that an organization received prior funding for similar work and performance outcomes. DOES has told the committee that the Department takes organizations at their word that everything in their applications is accurate, including that they have the capability to deliver the services for which they are applying. At least one reviewer has informed the committee that they knew a grant applicants' claim about receiving funding previously from another organization to be false. The committee believes that conducting site visits and interviews with grant finalists prior to making an award would help ensure that DOES is making a wise investment, which this subtitle would require the Department to do whenever possible.

Third, this subtitle would require that each losing applicant be provided with copies of grant reviewers' evaluations and comments prior to DOES making an award. The committee's understanding is that currently, DOES not share its evaluations with applicants unless they submit a FOIA request. However, RFAs issued by DOES state that if a losing applicant wishes to contest the determination, the appeal "must contain the basis for the appeal request and identify any factors that oppose the grant award selection."¹⁹⁴ This provision in the subtitle is meant to mirror the District's regulations for subgrants, when the District has received federal or other external funding that the city then grants out.¹⁹⁵ The committee believes it is important for this to be codified because the Department often issues grants with local appropriations.

Fourth, this subtitle would require grant reviewers to disclose a financial or personal relationship with any applicant in a grant competition the reviewer is judging. The committee intentionally used the word "any" to ensure that if a reviewer has a relationship with an applicant other than the one she is reviewing, she will not prejudice that applicant in order to benefit the person with whom she has a relationship. As an additional safeguard,

¹⁹³ The page is only accessible either by searching for "grants" in the DOES homepage's search bar or under the "About DOES" drop down menu. See <https://does.dc.gov/page/grant-opportunities>. RFAs are also listed on the Office of Partnerships and Grant Services' (OPGS's) District Grants Clearinghouse, but as of April 28, 2019, OPGS's last "weekly funding alert" was sent on January 28 (see <https://opgs.dc.gov/publications?type=732>) even though numerous RFAs have been posted since then.

¹⁹⁴ See, for example, DC Department of Employment Services Workforce Development Bureau, "2019 Intermediary Initiative" Request for Applications, April 10, 2019, p. 16, available at <https://opgs.dc.gov/sites/default/files/dc/sites/opgs/publication/attachments/2019%20RFA%20-%20Workforce%20Intermediary%20Initiatives.pdf>

¹⁹⁵ 1 DCMR 5004.3

this subtitle would require that if a prospective reviewer has a financial or close personal relationship with any applicant, she will be required to recuse herself from the review process.

Lastly, this subtitle would require that unredacted grant agreements be posted on DOES's website and that the Department transmit to the Council its evaluations of and status reports on grantees. It is important that the Council and public can see the terms of the use of taxpayer funds, just as they are permitted to do for contracts under the Procurement Practices Reform Act. Recently, DOES refused to share copies of grant agreements with the committee when they were requested as part of performance oversight pre-hearing questions. This is unacceptable, as the grants are public funds, and any agreement as to their use is clearly in the public's interest. Further, § 1-301.44c of the D.C. Code states, in part: "no document or information that the [Council has] requested for the purpose of performing their official duties shall be withheld by a subordinate or independent agency..."

c. Section-by-Section Analysis

Sec. XX01. States the short title.

Sec. XX02. Amends Section 2 of the Workforce Job Development Grant-Making Authority Act of 2012, effective April 23, 2013 (D.C. Law 19-269; D.C. Official Code § 1-328.05)

Subsection (a) requires DOES's Requests for grant Applications (RFAs) to be open for 30 days; RFAs to be widely advertised; a pre-application conference to be hosted at least 14 days after the release of the RFA, 7 days before a letter of intent is due, and 14 days before the application is due; applicants' past performance to be verified; losing applicants to be notified prior to issuance of the award; grant reviewers to not have a financial or close personal relationship with any applicants; DOES to interview grant finalists whenever possible; grant agreements to be posted online; and grantees' performance shared with the Council.

d. Legislative Recommendations for Committee of the Whole

See also Attachment A to this report.

**SUBTITLE XXXX. DEPARTMENT OF EMPLOYMENT SERVICES GRANTS
TRANSPARENCY**

Sec. XX01. Short title.

This subtitle may be cited as the "Department of Employment Services Grants Transparency Amendment Act of 2019".

Sec. XX02. Section 2 of the Workforce Job Development Grant-Making Authority Act of 2012, effective April 23, 2013 (D.C. Law 19-269; D.C. Official Code § 1-328.05), is amended as follows:

(a) A new subsection (b-1) is added to read as follows:

“(b-1)(1) In addition to the notice required pursuant to section 1094(c) of the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13(c)), before making or issuing a grant pursuant to this section, DOES shall:

“(A)(i) Issue a Request for Applications (“RFA”) that shall remain open for at least 30 days; and

“(ii) Beginning no later than the date the RFA is issued, post the RFA on the homepage of its website and widely advertise the RFA through public means, including social media;

“(B) Host a pre-application conference at least 14 days after the release of the RFA, at least 7 days before the deadline for submitting a Letter of Intent, if required, and at least 14 days before the deadline for submitting an application;

“(C) Verify applicants’ reported past performance and statements of receiving prior funding for similar work; and

“(D) Notwithstanding section 1095(1) of the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.14(1)), and before issuing an award selection notice, notify each applicant whose application was not selected for award, in writing, and include copies of the reviewers’ evaluations and comments.

“(2)(A) A grant reviewer for grants issued pursuant to this section may not have a financial or personal relationship with any applicant in the competition the reviewer is judging and shall recuse him or herself from any competition in which such a relationship exists.

“(B) A grant reviewer shall complete a conflict of interest form indicating the nature of any financial or personal relationships with any applicant in a grant competition the reviewer is judging.

“(3) Whenever possible, DOES shall conduct site visits and interviews with identified grant finalists before making or issuing an award.”.

(b) A new subsection (e) is added to read as follows:

“(e) The DOES shall:

“(1) Post on its website all executed grant agreements in full, without redactions; and

“(2) Quarterly transmit to the Council unredacted grantee performance evaluations and completed monthly status report forms.”.

e. Fiscal Impact

This subtitle has no fiscal impact.

4. Title X. Subtitle X, Wage and Hour Education Grants Program Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle establishes a grant program to be administered by the Department of Employment Services (DOES) for the purpose of educating District-based workers about their rights under District employment laws. Absent legislation, DOES first disbursed grant funds to community-based organizations for outreach purposes in FY 2018, it has issued a new RFP in FY 2019, and it has funds budgeted for this activity in FY 2020. The committee recommends this subtitle to set eligibility requirements for grantees and to ensure that the outreach conducted with these funds is targeted to workers. This subtitle relies on the grantmaking authority granted to the agency as codified in D.C. Code § 1-328.12 *et seq.* but does not modify those powers or responsibilities.

b. Committee Reasoning

The committee recommends including this subtitle in the FY 2020 Budget Support Act to ensure that DOES' Office of Wage-Hour compliance outreach efforts include direct engagement with workers about their unique concerns. The subtitle directs the agency to provide grants to at least two qualified trainers to devise and present trainings aimed at the specific concerns and perspective of workers, their questions, and the rights violations they may experience.

To qualify for the grant, grantees must demonstrate that they have at least 3 years' experience conducting group trainings, organizing public awareness campaigns, or representing employees in administrative or legal proceedings, and that the workshops will be supervised or implemented by people with at least 2 years' experience advocating for or representing workers' rights under District workplace laws or under the federal minimum wage law. Past grantees have not had a background in organizing or in wage and hour laws. The subtitle permits grantees to subcontract or subgrant to execute components of the grant program, as long as the subgrantee meets the requirements of the subtitle. Grant applicants must provide information about the schedule, format, and audience in their applications for funds.

This legislation will also help ensure that the agency's resources will be allocated specifically to reach workers. According to performance oversight information provided by DOES indicates that grant outcomes have been 2,023 "touches," which the committee understands consisted largely of having a table at community event like a street fair.¹⁹⁶ Furthermore, most of OWH's outreach has reached employers or general audiences; it has not been focused on workers.¹⁹⁷ Thus there is a need for in-depth training of workers.

¹⁹⁶ See DOES FY18-19 performance oversight responses, Attachment Q052 (Part D Outcomes), available at: <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>

¹⁹⁷ Committee analysis of DOES FY18-19 performance oversight responses, Attachment Q051 (Part D Outcomes), available at: <http://dccouncil.us/wp-content/uploads/2019/02/DOES-2019-PO-responses-02-18-19.pdf>

Under the subtitle, grantees must hold ten or more workshops and they must train at least 500 workers over the course of the grant. Workshops must provide information on two or more of the following District laws: The Accrued Sick and Safe Leave Act of 2008, An Act To provide for the payment and collection of wages in the District of Columbia, The Wage Theft Prevention Act of 2014, and The Workplace Fraud Amendment Act of 2012. The subtitle permits workshops to be directed at specific demographic groups or workers in a particular industry or industries.

Finally, grantees must collect and report information that DOES must make publicly available, including the gender, racial or ethnic group, employment, industry, and occupation of workshop attendees. This will both demonstrate if the grantees met requirements related to the numbers of workers trained and allow the public to learn about the demographics and concerns of the District workforce. Also, the agency will obtain useful feedback about workers' concerns which it should incorporate into its overall outreach and enforcement strategy.

c. Section-by-Section Analysis

Sec. xx01. States the short title.

Sec. xx02. Defines terms used in the subtitle.

Sec. xx03. Establishes the grant program and its purpose. States that the program must be administered consistent with existing law. Establishes the minimum requirements for the agency and the grant period.

Sec. xx04. Establishes the qualifications that community-based organizations must possess in order to be awarded grants and what information must be provided in organizations' applications to the agency for grant funds.

Sec. xx05. Defines parameters for the execution of the grants program.

Sec. xx06. Establishes what information must be reported by grantees to DOES. Requires that DOES must provide that information on the agency website and to the public upon request within five business days.

d. Legislative Recommendations for Committee of the Whole

Please also see Attachment A for the legislative language.

SUBTITLE X. WAGE AND HOUR EDUCATION GRANTS PROGRAM ACT OF 2019.

Sec. XX01 This subtitle may be cited as the "Wage and Hour Education Grants Program Act of 2019".

Sec. 2. Definitions.

For the purposes of this subtitle:

(1) “DOES” means the Department of Employment Services.

(2) “Industry” means a distinct sector of the economy in which an employer operates.

(3) “Occupation” means a person’s usual work, including the type of work an unemployed person typically performs when employed or a person’s actual job title.

(4) “Program” means the Wage and Hour Education Grants Program established pursuant to this subtitle.

Sec. 3. Wage and Hour Education Grants Program Establishment.

(a) There is established a Wage and Hour Education Grants Program for the purpose of funding community-based organizations to provide accurate, engaging informational workshops to private-sector employees regarding their rights in the workplace under District laws.

(b) The Program shall be administered by DOES pursuant to the requirements set forth in the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).

(c) The DOES shall award grants on an annual basis to at least 2 qualified community-based organizations.

(d) The grant period shall be at least one year.

Sec. 4. Program eligibility and review.

(a) To qualify for grant funds authorized under this subtitle, a community-based organization must:

(1) Possess at least 3 years’ experience conducting group trainings, organizing public awareness campaigns, or representing employees in administrative or legal proceedings;

(2) Demonstrate that the workshops prescribed by section 5 will be supervised or implemented by one or more persons who each have at least 2 years’ experience advocating for or representing workers’ rights under District workplace laws for which administrative enforcement is conducted by DOES or under the Fair Labor Standards Act of 1938, approved June 25, 1938 (52 Stat. 1060; 29 U.S.C. § 201 *et seq.*); and

(3) Specify in its grant application the planned staff, schedule, format, and intended audience of its workshops, and provide a summary of the content of workshops that will be carried out during the grant period.

Sec. 5. Grant requirements.

(a) Each grantee must hold at least 10 workshops aimed at informing District-based employees who are or expect to become part of the private-sector workforce about their rights under 2 or more of the following laws:

(1) The Accrued Sick and Safe Leave Act of 2008, effective May 13, 2008 (D.C. Law 17-152; D.C. Official Code § 32-531.01 *et seq.*);

(2) An Act To provide for the payment and collection of wages in the District of Columbia, approved August 3, 1956 (70 Stat. 976; D.C. Official Code § 32-1301 *et seq.*);

(3) The Wage Theft Prevention Act of 2014, effective October 1, 2014 (D.C. Law 21-266; D.C. Official Code § 32-1301 *et seq.*); and

(4) The Workplace Fraud Amendment Act of 2012, effective April 27, 2013 (D.C. Law 19-300; D.C. Official Code § 32-1331.01 *et seq.*).

(b) Workshops may be of any duration and in any format that the grantee determines is most effective at helping employees understand their rights; provided, that all other requirements of this section are satisfied.

(c) Workshops may be directed to a general audience of District-based employees or may be tailored to a particular demographic group or industry subset of employees.

(d)(1) For each workshop held, the grantee must obtain the following information from each attendee:

- (A) Gender;
- (B) Racial or ethnic group;
- (C) Whether employed full-time, part-time, or unemployed;
- (D) Industry; and
- (E) Occupation.

(2) The grantee may permit attendees to decline to answer individual questions but must record that the attendee declined.

(e) At the conclusion of the grant period, each grantee must demonstrate to DOES that it presented workshops to at least 500 people over the grant period.

(f) Grantees may fulfill the requirements of the grant by contracting with or subgranting funds to another community-based organization to perform any portion of the grant requirements; provided, that the contractor or subgrantee agrees to comply with the terms of this subtitle and the grant.

(g) The DOES may specify additional requirements for grantees consistent with the purpose of the Program.

Sec. 6. Final reporting requirements.

(a) At the conclusion of the grant period, a grantee must report the following information to DOES for each workshop held:

- (1) The date;
- (2) A summary of the workshop's content;
- (3) The total number of attendees;
- (4) The data the community-based organization compiled at each

workshop in accordance with section 5(d); and

(5) The grantee's summary of the primary or most common workplace concerns in the District according to the concerns or questions raised at the workshops.

(b) The DOES shall:

(1) Post the information received pursuant to subsection (a) of this section on its website; and

(2) Upon any individual's request for the information received pursuant to subsection (a) of this section, provide the information within 5 business days.

e. Fiscal Impact

This subtitle has no fiscal impact. (However, see related budget recommendation for DOES regarding FY 2020 funds for wage-hour education grants, Chapter II.C.)

5. Title X, Subtitle X, Tipped Wage Workers Fairness Clarification Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle modifies the Tipped Wage Workers Fairness Amendment Act of 2018, Local Law 22-196, by establishing the timing and clarifying the content of public-facing materials and websites that will be created by the Department of Employment Services in order to inform the public about the rights of tipped workers.

b. Committee Reasoning

The proposed subtitle would modify L22-196, enacted legislation that has not yet been funded, in four ways. Revisions set content requirements for the website and outreach materials and establish the April 1, 2020 deadline by which the agency must create and provide a notice to employers. The subtitle also removes the requirement for an employer wage reporting portal to accept employee complaints, as this language was misplaced in the original law.

First, L22-196 (codified Dec. 13, 2018) requires that the Mayor create a universal poster providing notice about multiple workplace laws. Employers will be able to post this universal poster in lieu of up to nine individual notices that are currently required by law to be displayed in District workplaces. This subtitle would require that the poster display brief, lay language descriptions of the laws' main purpose, rather than legal names and D.C. Code citations. The subtitle states the summary language to be included. Additionally, L22-196 requires that the universal poster contain the minimum wage rate and tipped minimum wage rate; the subtitle would also require inclusion of the rate of sick and safe leave accrual. The subtitle also would establish a deadline of April 1, 2020, to create the universal poster, which is six months after the law's effective date and is the same deadline by which the Mayor's public education campaign must be launched.

The subtitle also would restore the requirement for a notice poster as required by the Universal Paid Leave Act (UPLA). Under UPLA, DOES will develop a workplace poster about the paid leave benefit. The poster is a key mechanism for alerting workers to the new program in the weeks leading up to July 1, 2020, when benefits will begin to be offered to eligible employees. Therefore, it should be retained as a separate poster.

Second, current law requires that the Mayor create a website with information on the laws referenced in the universal poster. The subtitle would clarify that the website must be accessible on mobile devices. This will make it easy for workers to view this information on the go. The subtitle would also establish a deadline of April 1, 2020, for launch of the website.

Third, current law requires that the Mayor launch a public education campaign regarding tipped workers' rights within 180 days of the laws' effective date. The subtitle would require that any materials distributed via the campaign include contact information

for DOES and the OAG, to make certain that recipients are directed to the District offices where they can seek out any needed assistance.

Lastly, the subtitle would remove a reference to an employee complaint reporting system from a section that otherwise deals entirely with requirements for employers.

The committee recommendations will enhance the enactment of L22-196 (codified Dec. 13, 2018) by ensuring that the workplace notice poster, employee website, and public education campaign are launched simultaneously. This change and the requirement to include certain enforcement agency contact information on materials will improve the ability of employers, workers, and others who may notice campaign posters or materials to follow up on their own to learn more about worker protection laws.

c. Section-by-Section Analysis

Sec. xx01. States the short title.

Sec. xx02. Sets mandatory deadlines for the creation of a workplace poster and a website, amends the contents of a workplace poster, clarifies that employer and employee reporting systems are distinct, and omits the inclusion of the Universal Paid Leave Law from among the posters than an employer may replace with a new universal notice poster.

Sec. xx03. An amendment to the Minimum Wage Act Revision Act of 1992 clarifies that the section detailing employers' quarterly wage reporting responsibilities is not required to accept employee complaints.

d. Legislative Recommendations for Committee of the Whole

Please also see Attachment D for the legislative language.

**SUBTITLE X. TIPPED WAGE WORKERS FAIRNESS CLARIFICATION
AMENDMENT ACT OF 2019.**

Sec. XX01. This subtitle may be cited as the "Tipped Workers Fairness Clarification Amendment Act of 2019".

Sec. XX02. The Tipped Wage Workers Fairness Amendment Act of 2018, effective December 13, 2018 (D.C. Law 22-196; D.C. Official Code § 32-161 *et seq.*), is amended as follows:

(a) Section 3 (D.C. Official Code § 32-161) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase "The Mayor shall" and inserting the phrase "By April 1, 2020, the Mayor shall" in its place.

(B) Paragraph (3)(A) is amended to read as follows:

"(A) Capable of being accessed and viewed via computers including mobile devices such as smartphones;"

(2) Subsection (b)(1) is amended as follows:

(A) The lead-in language is amended by striking the phrase “The Mayor shall” and inserting the phrase “By April 1, 2020, the Mayor shall” in its place.

(B) Subparagraph (A) is amended by striking the phrase “section;” and inserting the phrase “section and a telephone number or numbers for the offices within the Department of Employment Services and the Office of the Attorney General where an employee may file a complaint or obtain additional information about the employee’s rights under the laws referenced in subsection (a)(1) of this section;”.

(C) Subparagraph (B) is amended to read as follows:

“(B) The following text formatted for maximum readability:
“EMPLOYEE RIGHTS IN THE DISTRICT OF COLUMBIA: You have the right to be paid the Minimum Wage or the applicable Living Wage; the right to proper and timely payment of wages; the right to remain free from unlawful discrimination; and the right to Workers’ Compensation due to accidental injury on the job. You may have the right to paid Sick and Safe Leave once you have worked for an employer for 90 days. If you are an employee affected by pregnancy, childbirth, or a related medical condition you may be entitled to a reasonable accommodation at work and certain other protections. If you are a parent or guardian of a child, you have the right, in any 12-month period, to up to 24 hours of unpaid Parental Leave to attend school-related events for your child. Certain employees are entitled to unpaid time off for birth or placement of a child, caring for a family member, or for the employee’s own serious health condition. Beginning July 1, 2020, employees who meet certain requirements will be eligible to receive paid leave for absences due to the birth or placement of a child, need to care for a family member with a serious health condition, or need to receive medical care for a serious health condition. This notice does not create, expand, or limit rights under District or federal law. Visit the website for more information on these rights and how to exercise them.”;”.

(D) Subparagraph (C) is repealed.

(E) A new subparagraph (C-1) is added to read as follows:

“(C-1) The amount of sick and safe leave that a worker may accrue annually;”.

(c) Section 4 (D.C. Official Code § 32-162) is amended as follows:

(1) Subsection (a)(1) is amended by adding a new paragraph (6) to read as follows:

“(6) All materials prepared and distributed in accordance with this subsection must contain a telephone number and internet website address for the Department of Employment Services and the Office of the Attorney General where an employee can obtain additional information about the employee’s workplace rights or file a complaint.”.

(2) Subsection (b)(2) is amended by adding a new subparagraph (B-i) to read as follows:

“(B-i) For the Internet component:

“(i) Be user-friendly, including the ability to be accessed and viewed via mobile devices such as smartphones, to enable an employee to easily report an alleged violation of the laws identified in paragraph (1) of this subsection; and

“(ii) Include video tutorials on how to report alleged violations of the laws identified in paragraph (1) of this subsection;”.

Sec. XX03. Section 10a(b)(1) of the Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code § 32-1009.01(b)(1)), is amended as follows:

(a) Subparagraph (A) is amended by striking the phrase “and to enable an employee to report a violation of this act”.

(b) Subparagraph (C) is repealed.

e. Fiscal Impact

This subtitle has no fiscal impact.

6. Title XX, Subtitle XX. DC Central Kitchen Grant Extension.

a. Purpose, Effect, and Impact on Existing Law

To allow the grant funds awarded to DC Central Kitchen in FY 2019 to be expended in FY 2020.

b. Committee Reasoning

In the FY 2019 budget, the Council awarded DC Central Kitchen a \$1 million grant, for the purchase or build-out of a new facility. DC Central Kitchen is a high-demand industry training program targeted to unemployed and underemployed residents with some of the highest barriers to work, which is seen around the country as a model for culinary training. It has a proven track record of job placement. One of its fundamental principles is to teach not just knife skills but life skills, to empower participants by helping them recognize the patterns of behavior that are self-defeating and transform them. It is also a commercial kitchen, which prepares and serves more than 3 million meals every year for homeless shelters, schools, and nonprofits across the District. The non-profit also works to combat hunger across the region, including providing fresh produce and snacks to corner stores in food deserts.

DCCCK's current main kitchen is located at the Federal City Shelter in downtown DC, but they need a new facility as they grow and expand. The Council awarded the grant in FY 2019 to ensure DCCCK can grow to meet the increasing demand for its training programs in the District. Due to the constraints of its current facility, DC Central Kitchen faces extensive waitlists for its training and nutrition services, and it is seeking new space to expand its programming to better meet the needs of District residents for effective job training and access to healthy food.

DCCCK has already received the first \$500,000 installment of the grant, but has not yet received the second payment, which is contingent on DCCCK closing on a new facility. The committee recommends moving the second payment to FY 2020, to ensure DC Central Kitchen will receive the necessary support. This BSA subtitle allows the agency managing the grant, the Workforce Investment Council, to expend the funds in FY 2020.

c. Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Allows the Workforce Investment Council to continue to expend the grant to DC Central Kitchen, awarded in FY 2019, in FY 2020.

d. Legislative Recommendations for Committee of the Whole

Please also see Attachment A for the legislative language.

SUBTITLE XXX. DC CENTRAL KITCHEN GRANT EXTENSION

Sec. XXX1. Short title.

This subtitle may be cited as the “DC Central Kitchen Grant Extension Amendment Act of 2019”.

Sec. XXX2. Section 2152 of the Fiscal Year 2019 Budget Support Act of 2018, effective December 21 2018 (D.C. Law 22-168; 65 DCR 13694), is amended by striking the phrase “programming.” and inserting the phrase “programming; provided, that any funds awarded but not expended in Fiscal Year 2019 shall be available for expenditure in Fiscal Year 2020 as authorized by the Fiscal Year 2020 Local Budget Act.” in its place.

e. Fiscal Impact

The subtitle costs \$500,000 in FY 2020, paid for from rescinding an equal amount from the FY 2019 grant award. (In FY 2019, the funds are in EM0, Program 3000, Activity 3012, CSG 50; in FY 2020, the funds will go in GW0, Program 3000, Activity 302, CSG 50.)

7. Title XX, Subtitle XX. Pathways to District Government Careers Subject to Appropriations Repeal

a. Purpose, Effect, and Impact on Existing Law

This subtitle would repeal the subject to appropriations clauses of the Pathways to District Government Careers Amendment Act of 2019.

b. Committee Reasoning

In its FY 2020 proposed budget, the committee has provided funding for the implementation of this law. See Sections II. B. and II.C.

c. Section-by-Section Analysis

Sec. XX01. States the short title.

Sec. XX02. Repeals the subject to appropriations clause of the Pathways to District Government Careers Amendment Act of 2018, enacted on February 22, 2019 (D.C. Law 22-211; 65 DCR 12603).

d. Legislative Recommendations for Committee of the Whole

Please also see Attachment A for the legislative language.

**SUBTITLE XXXX. PATHWAYS TO DISTRICT GOVERNMENT CAREERS
SUBJECT TO APPROPRIATIONS REPEAL**

Sec. XX01. Short Title.

This act may be cited as the “Pathways to District Government Careers Subject to Appropriations Repeal Amendment Act of 2019”.

Sec. XX02. Section 4 of the Pathways to District Government Careers Amendment Act of 2018, enacted on February 22, 2019 (D.C. Law 22-211; 65 DCR 12603), is repealed.

e. Fiscal Impact

This subtitle has no fiscal impact.

V. RECOMMENDATIONS FOR LOCAL BUDGET ACT

Recommendation for Workforce Investment Council (GW0 Program 3000)

The committee recommends providing the WIC budget authority within the Local Budget Act in order to ensure that it can continue to utilize its statutory grantmaking authority. Under DC Code § 32-1603(c), the WIC has grantmaking authority for “the purpose of providing competitive grants under the authority granted to the [WIC] by [this] subchapter.” In 2016, the WIC was moved from the Deputy Mayor for Planning and Economic Development to DMGEO; in FY 2020, the WIC will move yet again, to the budget of the Deputy Mayor for Education. Subsequent to the 2016 move, there was confusion over whether the WIC’s statutory grantmaking authority was sufficient to permit the WIC to issue grants given that DMGEO, the agency in which WIC was housed, did not have its own grantmaking authority. The original solution was for the WIC to use the services of the Deputy Mayor for Planning and Economic Development to issue grants on behalf of the WIC via an MOU and intra-district transfer of funds. However, that MOU expired and the question of whether the WIC can issue grants as a program within DMGEO arose again.

In FY 2019, the committee worked with the Office of the Chief Financial Officer (OCFO) to better understand this matter and what specific legal or budgetary impediment prevented the WIC’s exercise of its statutory grantmaking authority. The committee understood the problem to be two-fold. First, in previous years, the WIC did not have the personnel capacity to manage its own grants and therefore relied on the personnel of other agencies to assist in grantmaking. Second, the WIC lacked established budget authority, instead relying on the budgetary authority of the agency in which it was housed.

In FY 2019, the Mayor allocated funds for a grants manager within the WIC, and the committee supported this allocation, which resolved the staff capacity issue. OCFO also informed the committee that adding a proviso to the Local Budget Act to establish budgetary authority for the WIC would enable the WIC to issue grants directly, even if DMGEO did not have its own grantmaking authority. As such, the committee worked with the Council’s budget office to include such a provision in the FY19 Local Budget Act. Because the WIC had staff capacity to make its own grants and budget authority to do so, the WIC was able to issue grants directly. While the DME has grantmaking authority, it is limited. Therefore, the committee recommends that the FY 2020 Local Budget Act provide the WIC with budget authority within the paragraph on the Deputy Mayor for Education, to ensure that it can directly issue its own grants, to read as follows:

“provided, that \$3,150,430 in local funds shall be available for the Workforce Investment Council for activities consistent with the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code §32-1601 *et seq.*), and consistent with the DC Central Kitchen Grants Amendment Act of 2018 (Law 22-168) and DC Central Kitchen Grants Extension Amendment Act of 2019, passed on first reading on May 14, 2019 (Engrossed version of Bill 23-209).”

Recommendation for Department of Employment Services (CF0)

The committee recommends an amendment to the Local Budget Act of 2019 to ensure that the Department of Employment Services has the budget authority it needs to spend money from the Paid Leave Implementation Fund to pay eligible claims that are filed for paid leave benefits in FY 2020.

As previously noted, District workers will be able to file for paid leave benefits starting July 1, 2020, in the fourth quarter of fiscal year 2020. Because the payments will begin in FY 2020, DOES must have the spending authority it needs to pay any eligible claims. As of April 2019, the Chief Financial Officer has certified \$10 million of special purpose revenue funds for DOES to use towards the payment of claims in FY 2020; however, no funding has been certified for FY 2021 or the years following. Additionally, this committee has learned that the fund does not have continuing budget authority in the Local Budget Act of 2019. According to the Council's budget office, this means that any increase or payout beyond \$10 million would need a budget adjustment or a supplemental budget.

In the Fiscal Impact Statement for the Universal Paid Leave Amendment Act, the CFO estimated an annual revenue of \$238 million. This is because he estimated that the 0.62 percent employer contribution would be on approximately 541,376 workers in the District. Given the CFO's own estimation of how much revenue will be generated, and the number of workers who will likely submit claims, DOES will not be able to sufficiently pay out benefits if only \$10 million is certified. Given this, this committee recommends increasing DOES' spending authority and changing the LBA to allow for DOES to spend funds as they come into the Universal Paid Leave Implementation Fund

The committee recommends the following language, with funding figures to be updated in the Committee of the Whole circulation for the first budget vote:

“(7) Department of Employment Services. -\$XXX (including \$XXX from local funds, \$XXX from federal grant funds, \$XXX from other funds, and \$XXX from private funds); provided, that all funds deposited, without regard to fiscal year, into the following funds are authorized for expenditure and shall remain available for expenditure until September 30, 2020: the Workers' Compensation Administration Fund, the Unemployment Insurance Administrative Assessment Tax Fund, the Unemployment Insurance Interest/Penalties Fund, the Workers' Compensation Special Fund, ~~and~~ the Reed Act Fund; and the Universal Paid Leave Implementation Fund.”

VI. COMMITTEE ACTION AND VOTE

On Wednesday, May 1, 2019, at 4:06p.m. in the Council Chamber (Room 500) of the John A. Wilson Building, the Committee on Labor and Workforce Development met to consider and vote on the FY 2020 operating and capital budget for agencies under its purview, the committee's recommendations for the FY 2020 Budget Federal Portion Adoption and Request Act, the FY 2020 Budget Local Portion Adoption Act, the FY 2020 Budget Support Act, and the committee's budget report. Chairperson Elissa Silverman determined the presence of a quorum consisting of herself and Councilmembers Allen (Ward 6), Grosso (At-Large), McDuffie (Ward 5), and Robert White (At-Large).

Chairperson Silverman provided an overview of the committee report and the committee's recommended changes to the Mayor's proposed FY 2020 budget. After her statement, the Chairperson asked if there was any discussion.

All members of the committee made comments in support of the report and its recommendations. Each Councilmember highlighted the importance of funding the Career Pathways Innovation Fund. Councilmember White called it a strong and necessary program, citing the importance of helping adult learners to access training and education leading to good jobs. Councilmembers White, Grosso, and Allen expressed their excitement at seeing a successful implementation of the Paid Family Leave program, with Councilmember Allen calling it a huge and beneficial change for the District. Councilmember White supported the effort to collect better outcomes data on the District's various workforce development programs. Councilmember White said that no one can effectively do their jobs without the proper and necessary reporting from agencies. His sentiments were echoed by Councilmembers McDuffie and Allen.

Councilmember McDuffie said he was eager to work with his committee colleagues in helping returning citizens find good employment opportunities. Councilmember Allen shared McDuffie's appreciation of programs assisting returning citizens. Councilmember Allen also joined Councilmember McDuffie in highlighting the importance of improving the DC Infrastructure Academy, calling it a pipeline to good jobs in emerging industries, such as green energy. Councilmember Grosso was joined by Councilmember's Allen and McDuffie in support of the Pathways to District Government Careers Act. Councilmember Grosso volunteered to serve as a resource to DCHR, as well as to engage with the public and charter school leadership, to help see successful implementation of the Pathways to District Government Careers Amendment Act.

There being no further discussion, Chairperson Silverman moved for approval of the committee's FY 2020 budget report, with leave for staff to make technical, editorial, and conforming changes to reflect the committee's actions. The committee's FY 2020 budget report was unanimous.

Chairperson Silverman asked if there was any additional business before the committee. Hearing none, the meeting adjourned at 4:43p.m.

VII. ATTACHMENTS

- A. Budget Support Act Committee Print
- B. Friday, April 05, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.
- C. Wednesday, April 10, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.
- D. Monday, April 22, 2019 and Wednesday, April 24, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.