



April 22, 2008

**TESTIMONY OF LINDSAY CLARK, POLICY ANALYST,
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**To the Committee on Workforce Development and Government Operations
Regarding the Fiscal Year 2009 Budget Request Act of 2008
April 22, 2008**

Chairperson Schwartz and members of the Committee, thank you for the opportunity to speak today. My name is Lindsay Clark, and I am a policy analyst with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

The employment and training programs administered by the Department of Employment Services (DOES) are critical to helping those with barriers to employment obtain the skills necessary to secure a job and lift themselves out of poverty. However, without adequate budget information, it is difficult to assess whether the funding levels for these programs are adequate and whether or not they are effective in meeting their intended goals. As you know, a transparent budget — one that provides accurate, clear, and timely budget information — is critical to enabling the DC Council to perform its agency oversight functions, and empowering residents to hold public officials accountable for the delivery of public services. I am here today to testify regarding the need for greater transparency in the District's budget document. The budget transparency problems that I am outlining today are not limited to the DOES budget chapter, but the examples I am providing are specific to DOES.

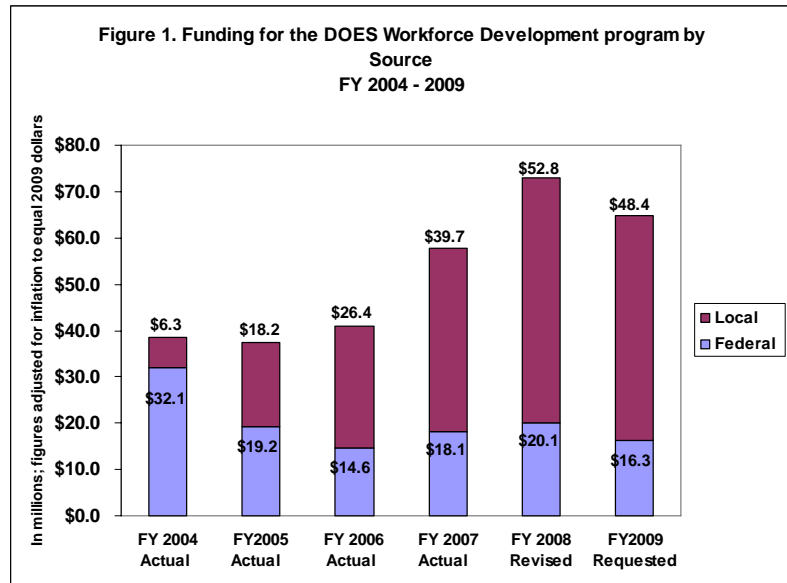
Better basic financial information is needed for residents and policymakers to track funding for DC's workforce development programs. The District's budget does not allow residents to gather basic information on key programs, including funding history or trends in services provided. For example:

- **Funding information for key training programs, such as the Summer Youth Employment Program (SYEP), cannot be found in the budget, because the budget often lumps several programs into one line item.** The SYEP, for example, is part of the "Youth Program" line item in the DC budget. This line item includes other jobs programs for youth, but the budget does not specify them. This makes it difficult for a resident to know the full range of services provided by DOES and which programs are getting more, less or the same amount of money overtime.
- **The budget document does not to provide a break out of local and federal expenditures for many programs.** Tracking budget trends by source of funds can be very important. If a program's funding declines, for example, it would be useful to know whether that stemmed from a decline in federal or local funding. The DC budget provides some information that separates local and federal funding, but only for broad groupings of services. In the case of the SYEP, the "Youth Program" line item is part of the larger "Workforce Development" budget category that also includes training

programs for adults. The DC budget separates actual federal and local funding for the combined “Workforce Development” category but not for line items within it. As you can see from figure 1, overall federal funding for the DOES “Workforce Development” category has declined notably since 2004. More information on how these declines have impacted specific activities would be useful.

Better information is needed to put the financial information in context. The District’s budget format also lacks information to help put financial data in context. For example:

- **The District budget does not adequately describe the programs and services it provides.** The new budget format removes the descriptions of the programs and activities that had appeared in prior year budgets. These narratives should be added back into future budget documents and expanded upon to include a description of each agency program, each activity, and the main services in each activity. These descriptions should also include information relating to the agency’s performance.



For example, the current DOES budget chapter makes no mention of the SYEP, other than the program is to receive \$6.9 million in funding to operate for 8 weeks and to serve 15,000 youth. A consumer of the budget would be hard pressed to determine which agency budget category the SYEP related to, as well as information about the population the program serves, the number of youth it serves, and how it operates.

- **The proposed budget fails to provide much-needed narratives to describe the impact of funding increases and decreases.** For example the Mayor’s budget document proposes dedicating \$5.9 million to the Transitional Employment Program (TEP) in order to eliminate the waiting list. However, no information is provided on the number of DC residents currently on the waiting list, or the number residents served annually. The budget document also shows the District will see a decline in federal funding that is largely due to the rescission of \$2.5 million in WIA funding. It would be useful if the budget chapter provided information on the expected impact this rescission will have on workforce development programs, as well as an explanation of why these funds were rescinded.¹
- **Agency performance measures could be improved to reflect the key services provided by DOES.** Like all DC agencies, the DOES performance measures focus primarily on the extent to which various performance goals have been met, such as the percent of SYEP youth are referred to employment. Yet, the budget fails to provide critical underlying data to put the performance measures in context, such as the number of youth participating in the program. Moreover, these key performance measures should be directly linked to the agencies budget in a meaningful way.

¹ According to a DOES official, the agency is trying to mitigate the adverse impact of the WIA rescission by maximizing the utilization of carry over funds from prior years.

There are several steps the District could take to improve its budget transparency. For example, the District could make its internal budget tool, CFO Source, available online to the public. This would allow users to examine budget information at a detailed level. In addition, the District could establish a Budget Transparency Task Force, which included members of the public. Public input on the budget document would help to ensure residents are able to track the programs they care most about. If such a task force were established in the next few months, recommendations to improve the District's budget transparency can be produced and implemented starting with the FY2010 budget cycle.

Thank you for the opportunity to testify. I am happy to answer any questions you may have.