

## What's In the Proposed FY 2018 Budget for Employment and Training?

### The Proposed FY 2018 Budget Increases Funding Slightly for Workforce Development and Subsidized Jobs Programs

The Department of Employment Services (DOES) is a major source of job search, training, and placement programs for unemployed or underemployed adult District residents, as well as for DC youth.<sup>1</sup> The proposed fiscal year (FY) 2018 budget allocates \$79.2 million in local and federal funds for workforce development within DOES. This is slightly higher than the final FY

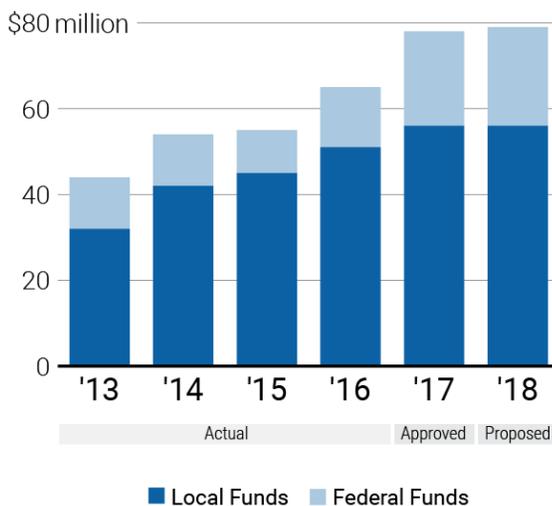
2017 budget, after adjusting for inflation (*Figure 1* and *Table 1*, pg. 6).

### Subsidized Jobs Programs Will Grow Under the Proposed Budget

The proposed budget continues to make investments in four subsidized job training programs: the Mayor Marion S. Barry Summer Youth Employment Program, the Transitional Employment Program, DC Career Connections, and the Learn Earn Advance Prosper program. Funding for subsidized job programs has been increasing steadily since 2014 (*Figure 2*, pg. 2).

FIGURE 1.

#### Workforce Development Funding Has Been Rising at DOES



Note: All figures adjusted for inflation. Local Funds include special purpose revenues and intra-district funds.  
Source: Fiscal Year 2015-18 Budget & Financial Plans.

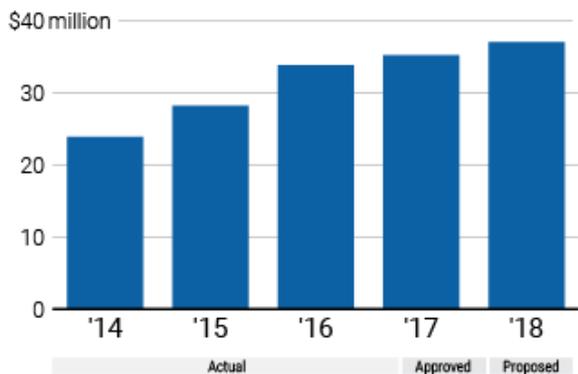
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<sup>1</sup> A number of other DC agencies support workforce development services, such as the Department of Human Services, Department on Disability Services, Department of

Youth Rehabilitation Services, Office on Aging, and others. Many of these agencies do not isolate workforce development funding in their budgets, however.

FIGURE 2.

**Subsidized Jobs Programs are Increasing\***



Note: All figures adjusted for inflation.  
 \*Includes the Marion Barry Summer Youth Employment Program, Transitional Employment Program, LEAP Academy, and Career Connections. Numbers for LEAP Academy and Career Connections are 2016 approved and 2017 proposed.  
 Source: Fiscal Year 2016-18 Budget & Financial Plans.

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provides supportive services, with the goal of helping participants secure permanent, unsubsidized employment. The program served approximately 700 residents in FY 2016. Of these, 421 who were initially assigned to subsidized employment gained unsubsidized employment, at an average hourly wage of \$14.89.<sup>2</sup>

- **The DC Career Connections Program:** DC-CC is a work readiness program started in 2016, specifically targeted to youth aged 20-24. It provides up to nine months and 40 hours per week of work experience, skills training, and individualized coaching and support to gain employment. The program served 400 youth last year, and expects to serve the same number this year.
- **Learn Earn Advance Prosper (LEAP) Academy:** The LEAP program was started in 2016 as a training and subsidized employment program for jobs in DC government, and is specifically targeted to long-term TANF recipients. For FY 2018,

<sup>2</sup> DOES Performance Oversight Responses, #2. 2017. p. 16.

**SUMMARY**

- The budget proposes \$79.2 million in local and federal funds for workforce development programs in the Department of Employment Services (DOES). This is slightly higher than the FY 2017 budget, after adjusting for inflation.
- The budget continues to invest in subsidized job programs: the Transitional Employment Program, DC Career Connections, the Learn Earn Advance Prosper (LEAP) program, and the Marion Barry Summer Youth Employment Program (MBSYEP).
- DOES continues to spend less than what it has available for workforce development. In 2016, of \$78 million allocated to workforce development programs at DOES, only \$65 million was spent. This underspending continues to be a missed opportunity to address the tremendous need for job training among the District’s most vulnerable residents.
- The budget creates a new “Washington DC Infrastructure Academy,” which will provide job training in the infrastructure industry, including the utility, energy efficiency, transportation, and logistics sectors.
- The Deputy Mayor for Greater Economic Opportunity’s budget is increased by \$1 million for a continuation of the Local Business Utilization Pilot program, which was started in FY 2017.
- The budget fails to fund the additional \$20 million in start-up costs needed for DC’s new paid family leave program. Not funding the program this year could threaten timely implementation of the program.
- The proposed FY 2018 budget includes no funds to provide transportation assistance to adults in education and training programs, even though transportation cost has been identified as a major barrier to participation.
- The budget funds two new worker protection laws that were passed last year subject to appropriation, but leaves one new law unfunded.

the proposed budget includes \$1.9 million. Since April 2015, there have been 4 cohorts of LEAP Academy members,

FIGURE 3.

servicing a total of 111 participants. Of these, 93 have been permanently hired, a very high success rate.<sup>3</sup>

The proposed budget also creates a new division within DOES, the Division of State Initiatives, which will house three of DOES’s subsidized job programs: the Transitional Employment Program, Career Connections, and the LEAP Academy.

### Underspending of Federal Money at DOES Continues to Be an Issue

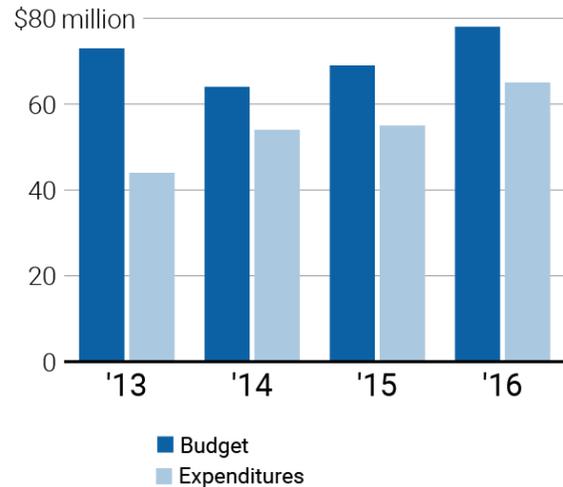
DOES’s workforce budget includes a substantial investment of federal money (*Table 2*, pg. 7).

Unfortunately, DOES has spent less than its available funding in recent years, raising concerns about its ability to meet the needs of unemployed and underemployed residents. In 2016, the department spent \$65 million on employment services, compared with \$78 million in available funding (*Figure 3*).

DOES has recently made efforts to spend down more of its federal money on youth programs.<sup>4</sup> However, across all workforce programs at DOES, a total of \$17 million in federal money from prior fiscal years has been left unspent, including \$6.2 million for youth, \$4 million for dislocated workers, and over \$2 million in employment services.<sup>5</sup>

The high unemployment rate among residents without a college degree points to great needs for employment assistance. Addressing the factors behind the underspending should be a top priority for the Bowser administration.

### DOES Continues to Underspend Its Allocated Funding



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2015-18 Budget & Financial Plans.

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### Proposed Budget Creates a New Infrastructure Academy for Jobseekers

The proposed FY 2018 budget includes funds to create a new “Washington DC Infrastructure Academy,” located at the St. Elizabeth’s East Campus, which will provide job training in the infrastructure industry, including the utility, energy efficiency, transportation, and logistics sectors. The proposal would establish a partnership between key partners in the infrastructure sector—businesses, trade unions, and the University of the District of Columbia—who would work together to provide work-based learning to underserved District residents to create a “pipeline” to employment.

<sup>3</sup> DOES Performance Oversight Responses, #2. 2017. p. 4.

<sup>4</sup> March 30, 2016. “Grosso exchange of letters with DOES about WIC’s oversight of youth programs.” <http://www.davidgrosso.org/grosso-analysis/2016/3/30/grosso-exchange-of-letters-with-does-about-wics-oversight-of-youth-programs>

<sup>5</sup> FY 2018 Budget Oversight Documents, Attachment III-Federal Grants.

[http://dccouncil.us/files/user\\_uploads/budget\\_responses/CF0\\_FY18\\_Attachment\\_III.pdf](http://dccouncil.us/files/user_uploads/budget_responses/CF0_FY18_Attachment_III.pdf)

The budget allocates \$16.75 million in capital money to construct the facility by 2021. It is not clear if other funding will be provided to begin operating the academy earlier.

### **Proposed Budget Continues a Business Utilization Pilot Program Initiated in 2017**

The budget for the Deputy Mayor for Greater Economic Opportunity is increased by \$1 million for a continuation of the Local Business Utilization Pilot program, which was started in FY 2017. The budget does not provide a description of this pilot program.

### **Budget Does Not Provide Funds Needed to Move Paid Family and Medical Leave Forward**

In December 2016, the DC Council passed the Universal Paid Leave Act (UPLA), which will provide 8 weeks of paid leave for new parents to be with their children, 6 weeks to workers who need to care for an ill relative, and 2 weeks for workers to address their own health needs, beginning in 2020.

The fiscal year 2017 budget allocated \$20 million toward the start-up costs for UPLA, to be used in 2018 and beyond. However, the estimated start-up administrative costs are \$40 million over 36 months, and the program cannot be implemented until that total is allocated. The proposed FY 2018 budget maintains the initial \$20 million set aside last year, but fails to fund the additional \$20 million needed to help the new office secure an IT program, office supplies, and other start-up costs.

The lack of funding is damaging, because it can likely delay when DC can start offering paid leave

to new parents and workers needing time to care for an ill relative. UPLA stands to help not just DC workers, but also small businesses that currently cannot afford to provide paid family leave. An extensive analysis of this program found that it would provide additional benefits to DC residents and the economy, including increasing breastfeeding rates, reducing infant mortality, and increasing the number of women who participate in the labor market.<sup>6</sup>

### **Budget Fails to Fund Transportation Subsidies for Adult Learners and Re-Engaging Youth**

The proposed FY 2018 budget includes no funds to provide transportation assistance to adults in education and training programs, even though the cost of transportation has been identified as a major barrier to participation.<sup>7</sup> Without transportation assistance, many adults miss classes and are unable to complete their programs. This means that many DC residents are being held back, and that the District is not getting as much as it could out of its substantial investments in adult education and job training.

Unlike students through age 22—who do not have to pay to ride Metrorail and bus because they are enrolled in the Kids Ride Free program—students over age 22 currently pay the full price, which poses a significant financial burden that often threatens their success. The current cost of Kids Ride Free is \$19.4 million for FY 2018 (*Figure 4*, pg. 5).

A fall 2016 report from the Deputy Mayor for Education (DME) recommends that Kids Ride

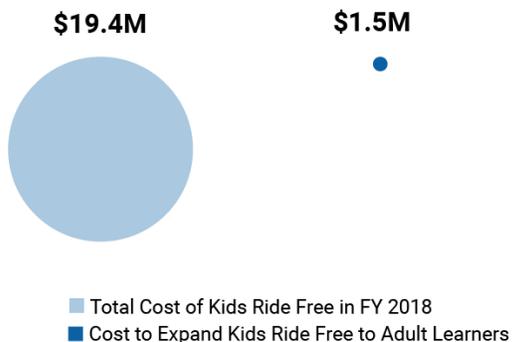
<sup>6</sup> DC Council Budget Office. 2016. “Economic and Policy Impact Statement: Universal Paid Leave.” <http://dccouncil.us/news/entry/economic-and-policy-impact-statement-universal-paid-leave>

<sup>7</sup> According to learner listening sessions conducted in 2015 by the DC Adult and Family Literacy Coalition (AFLC) and Fair Budget Coalition. In addition, over a third of 1,000 adult learners surveyed in 2016 by the DC AFLC reported their biggest transportation concern is its cost.

Free be expanded to all DC residents enrolled in a publicly-funded education program, at an estimated cost of \$1.5 to \$2 million.<sup>8</sup>

FIGURE 4.

**Current Cost of Kids Ride Free and Cost of Expanding it to Adult Learners**



Source: Fiscal Year 2018 Budget Support Act Fiscal Statement and 2017 Report from the Deputy Mayor for Education, “The Need for Transportation Subsidies and Assistance for Adult Learners”

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The District currently invests over \$80 million in local and federal dollars to support educational instruction for adult learners. The relatively modest cost of expanding Kids Ride Free to adult learners—which surveys suggest could lead to 30 percent more successful outcomes for participants in these programs—seems well worth the additional investment. The DME report notes that “the current investment in adult education could yield greater results with a reduction in transportation costs for adult learners.”

**Budget Funds Some New Labor Laws, but Not All**

Three labor laws were passed in 2016 that can go a long way to helping vulnerable workers. Each of

which were passed “subject to appropriation,” which means they could not be implemented until funds were provided to meet their costs.

The mayor’s budget funds two of them:

- **Building Service Employees Minimum Work Week Act of 2016:** This new law sets a minimum work week of 30 hours for any employee performing janitorial or building maintenance services in DC office buildings, to ensure that workers will have predictable and adequate incomes. The estimated cost is \$445,500 to pay for 5 full-time staff for education and enforcement.
- **Fair Credit History Screening Act of 2016:** This new law prohibits an employer from asking about or requiring a job applicant to provide information about their credit history during the hiring process. The estimated cost is \$94,000 to pay for 1 full-time employee and a public education campaign.

However, the budget leaves one new labor law unfunded:

- **Procurement Integrity, Transparency, and Accountability Amendment Act of 2016:** This law requires that city contracts above \$75 million have a Project Labor Agreement (PLA). Because contracts under PLAs generally provide for higher wages and benefits for workers, the total cost of each project could be higher. The estimated cost of this bill is \$113,000 each fiscal year, and \$26.2 million annually in capital funds.

This bill should be funded as soon as possible, so that workers can begin to benefit from it.

<sup>8</sup> Deputy Mayor for Education. 2016. “The Need for Transportation Subsidies and Assistance for Adult Learners.”

<http://lims.dccouncil.us/Download/36809/RC21-0140-Introduction.pdf>

TABLE 1.

**Funding for Workforce Development in the Department of Employment Services,  
FY 2016-2018**

	FY 2016 Actual	FY 2017 Approved	FY 2018 Approved
<b>Total Gross Funding</b>	<b>\$65,361</b>	<b>\$78,105</b>	<b>\$79,198</b>
<b>Job Training and Subsidized Job Programs</b>	<b>\$50,501</b>	<b>\$55,653</b>	<b>\$58,044</b>
Senior Services	612	597	645
Local Adult Training	8,040	8,294	6,233
Office of Apprenticeship Info & Training	809	857	1,150
Veteran Affairs	212	844	697
Year-Round Youth Program	11,465	13,897	11,266
Marion Barry Summer Youth Employment Program	18,061	20,511	20,313
Marion Barry Youth Leadership Institute	956	1,303	1,078
Transitional Employment Program	10,348	9,350	10,294
DC Career Connections*	0	0	4,492
LEAP Academy*	0	0	1,876
<b>Other Workforce Activities</b>	<b>\$14,859</b>	<b>\$22,451</b>	<b>\$21,154</b>
Program Performance Monitoring	962	1,232	961
Employer Services	2,643	2,942	2,768
First Source	1,085	1,179	1,273
One-Stop Operations	8,364	13,355	10,468
Labor Market Information	1,020	1,036	1,040
State-wide Activities**	785	2,707	4,644

Figures in thousands, adjusted for inflation to equal 2018 dollars.

\* In Fiscal Years prior to 2018, these programs did not have their own individual line items in the budget.

\*\* For FYs 2017 and 2018, this includes \$1.5 million for the Career Pathways Innovation Fund, to be allocated to the Workforce Investment Council (WIC).

TABLE 2.

### Local and Federal Funding for Workforce Development in the Department of Employment Services, FY 2018

	General Funds*	Federal Funds	Total Funds**
<b>Total Gross Funding</b>	<b>\$54,484</b>	<b>\$22,787</b>	<b>\$79,198</b>
<b>Job Training and Subsidized Job Programs</b>	<b>\$48,955</b>	<b>\$7,162</b>	<b>\$58,044</b>
Senior Services	123	521	644
Local Adult Training	6,233	0	6,233
Office of Apprenticeship Info & Training	1,150	0	1,150
Veteran Affairs	6	691	697
Year-Round Youth Program	4,678	5,950	11,266
Marion Barry Summer Youth Employment Program	20,053	0	20,313
Marion Barry Youth Leadership Institute	1,078	0	1,078
Transitional Employment Program	9,266	0	10,295
DC Career Connections	4,492	0	4,492
LEAP Academy	1,876	0	1,876
<b>Other Workforce Activities</b>	<b>\$5,529</b>	<b>\$15,625</b>	<b>\$21,154</b>
Program Performance Monitoring	646	315	961
Employer Services	1,093	1,675	2,768
First Source	1,273	0	1,273
One-Stop Operations	701	9,767	10,468
Labor Market Information	2	1,038	1,040
State-wide Activities***	1,814	2,830	4,644

Figures in thousands, adjusted for inflation to equal 2017 dollars.

\*General funds include local funds and special purpose revenue funds.

\*\*Totals include additional Intra-District funds of \$1.667 million from the Department of Human Services and Department of Health to provide supportive services in TEP, MBSYEP, and year-round youth, as well as \$260,000 in private grants to MBSYEP.

\*\*\*Includes \$1.5 million for the Career Pathways Innovation Fund, which will be transferred to the Workforce Investment Council.