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**TESTIMONY OF ED LAZERE, EXECUTIVE DIRECTOR  
At the Public Hearing on  
Department of Employment Services FY 2015 Budget  
District of Columbia Committee on Business, Consumer and Regulatory Affairs  
May 8, 2014**

Chairman Orange and members of the committee, thank you for the opportunity to testify today. My name is Ed Lazere, and I am the executive director of 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 how policies impact low-and-moderate income families.

I am here today to testify on the proposed budget for the Department of Employment Services, with a focus on three issues: funding to support enforcement of minimum wage, paid sick leave, and wage theft; funding and partnerships to support literacy services for jobseekers; and reporting on participation and outcomes in key workforce development programs.

**Enforcement of Wage and Benefit Laws**

The paid sick days and minimum wage laws passed last year are only useful if workers are able to make claims to the government when they have not received some or all of the pay that they are owed. That is why DCFPI supports the proposed FY 2015 funding of \$150,000 to enforce DC's paid sick and safe leave requirements. We encourage the committee to identify additional funds for public outreach. The bill's fiscal impact statement suggest a funding level of \$253,000 is needed.

Similarly, we encourage the committee to identify roughly \$600,000 to enhance the ability of the Office of Wage-Hour to fund the Wage Theft Prevention Act. Note that the Wage Theft Prevention Act would reform the Office of Wage-Hour, which is tasked with enforcing the paid sick days, minimum wage and overtime laws by creating a formal hearing system with administrative judges.

**Adult Literacy**

The DC Fiscal Policy Institute is a member of the Adult and Family Literacy Coalition. We understand that DC residents cannot take advantage of training programs and be competitive for living-wage jobs without basic literacy skills, and too many residents lack such skills. DCFPI believes that the District needs to make addressing adult literacy a much higher priority.

For the FY 2015 budget, we encourage the District maintain existing funding mechanisms and levels and add funding to start implementing recommendations from the recent report from DC Appleseed.

- The budget should maintain the \$4 million Memorandum of Understanding (MOU) between DOES, the OSSE Division of Adult and Family Education, and the Department of Human Services to maintain support for adult literacy services for DOES clients.
- The budget should include \$175,000 to create a taskforce convened by the WIC to make recommendations on connecting literacy services with career services.
- The budget should allocate \$1 million for a new “innovation fund” to pilot various approaches to providing literacy services in a career preparation context.

### **Outcome Measurement in Workforce Development Programs**

The Fiscal Year 2013 Budget Support Act required DOES to begin collecting and reporting on service levels and outcome measures of the agency’s key employment training programs. The reporting in 2013 provided some important information, yet the reports are not always clear and do not provide enough information to fully assess the impact of these programs. The reporting requirements could be amended to improve the quality. Beyond that, it would be useful as a matter of oversight to learn whether and how DOES uses performance information to modify its programs.

The fourth quarter report for FY 2013 includes information on four areas: On-the-job training, a program that was suspended in 2013; Individual Training Accounts; grants and MOUs, and the Transitional Employment Program. It is not clear whether this is the full universe of DOES-funded programs.

The quality of information in the reports is not high. For example,

- The ITA report notes the number of workers who complete a program, but it is not clear how many received a credential. There is no information on whether participants went on to obtain employment or on the wages then received.
- The information on grants and MOUs notes that 483 enrollees completed the program and 45 were placed. This is described, apparently erroneously, as a 19 percent rate. There is no information on wages of those placed in jobs or on retention.
- The information on the Transitional Employment Program notes active enrollment of about 500 per month. It notes that 83 people transitioned to subsidized jobs, which is described as a 31 percent placement rate. And it notes that 30 retained a job for at least 6 months, described as a 48 percent rate. These success rates do not seem mathematically accurate. The report provides no information on the wages earned.

DOES has the ability to do longitudinal outcomes tracking for local and federal program participants, but has not done so to date – or at least has not reported on it. Without that it is difficult to understand which programs are thriving and how programs should be modified to improve performance.

This tracking could be done using wage data reported through the unemployment insurance system. There are some limitations to protect personally identifiable information, which limits the ability to do grantee-specific reporting for smaller grantees. Nevertheless, DOES could track performance of each of its programs in an aggregate way using UI data. This could include:

- Wages: Median wages 2, 4, and 8 quarters after program exit;
- Wage Gains — total wages for last four quarters prior to program enrollment vs. total wages for the four quarters following program enrollment;
- Employment Status: the number of quarters with wages in the last four quarters prior to program enrollment vs. the number of with wages for the four quarters following program enrollment.

This information could be analyzed by DOES or the Council should appropriate funds for a third-party evaluation.

Even for the data DOES currently collects, it is not clear how it is used. It appears, for example, that fewer than 10 percent of residents who complete a program operated by a DOES grantee are placed in a job, a very poor performance result. It would be useful to have DOES include some narrative description to explain its performance results and provide context that may help explain a low performance rate, as well as any programmatic changes being made to improve performance.

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