

## What's In the Fiscal Year 2018 Budget for Employment and Training?

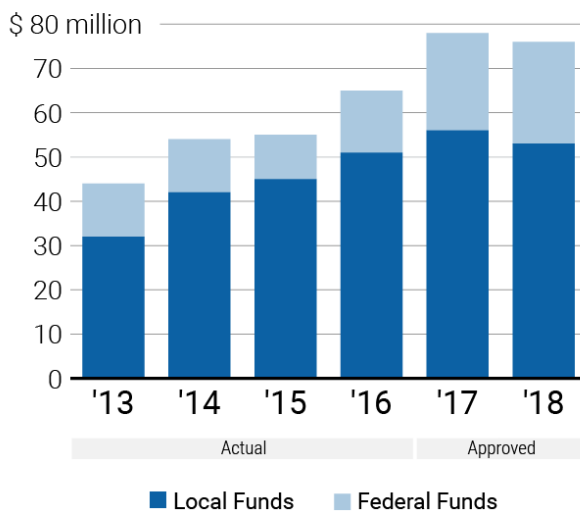
By Ilana Boivie

### The FY 2018 Budget Decreases Funding Slightly for Workforce Development 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 approved fiscal year (FY) 2018 budget allocates \$76.5 million in local and federal funds for workforce development within DOES. This is slightly lower than the FY 2017 budget, after adjusting for inflation (*Figure 1* and *Table 1*, pg. 5).

FIGURE 1.

### Workforce Development Funding at DOES



Note: All figures adjusted for inflation. Local funds includes special purpose revenues and Intra-District funds.  
Source: Fiscal Year 2015-18 Budget and Financial Plans.

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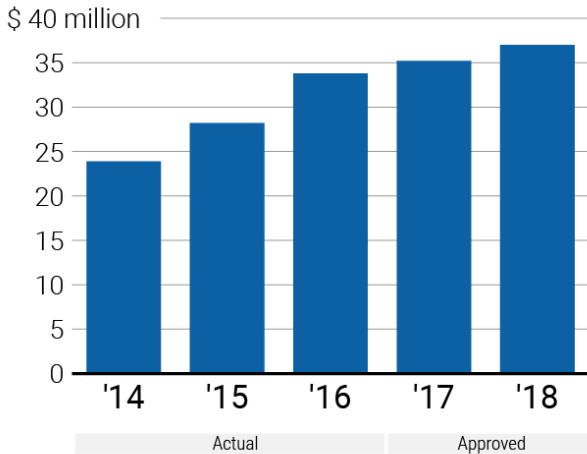
### Subsidized Jobs Programs Will Grow Under the FY 2018 Budget

The FY 2018 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).

- Marion S. Barry Summer Youth Employment Program (MBSYEP):** MBSYEP is a locally funded program that provides District youth with summer work experiences through subsidized placements in the private and government sectors. The FY 2018 budget continues an expansion eligibility through age 24 that was first adopted in 2015, from the prior age limit of 21. The budget makes this age expansion permanent. The program expects to serve a total of 13,000 youth in the summer of 2018, including 900 22-24 year olds.
- Transitional Employment Program:** The Transitional Employment Program (also called Project Empowerment) is a subsidized job program specifically targeted to returning citizens and others with high barriers to employment. The program also 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>

FIGURE 2.

## Subsidized Jobs Programs Are Increasing



Note: Includes the Marion Barry Summer Youth Employment Program, Transitional Employment Program, LEAP Academy, and Career Connections. The 2016 figures for LEAP Academy and Career Connections are approved and the 2017 figures are proposed. All figures adjusted for inflation.  
Source: Fiscal Year 2015-18 Budget and Financial Plans.

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- The DC Career Connections Program:** DC-CC is a work readiness program started in 2016, specifically targeted to youth aged 20 to 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, the budget includes \$2.0 million. Since April 2015, there have been four cohorts of LEAP Academy members, serving a total of 111 participants. Of these, 93 have been permanently hired, a very high success rate.<sup>3</sup>

## SUMMARY

- The budget includes \$76.5 million in local and federal funds for workforce development programs in the Department of Employment Services (DOES). This is slightly lower 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 FY 2018 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 budget fully funds the additional \$20 million in start-up costs needed for DC’s new paid family leave program. This will be helpful to ensure timely implementation of the program.
- The FY 2018 budget includes \$2 million to provide transportation assistance to adults in education and training programs. This will address a major barrier that has limited participation in and completion of adult education programs.
- The budget funds two new worker protection laws that were passed last year subject to appropriation, but leaves one new law unfunded.

The 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. 6).

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>

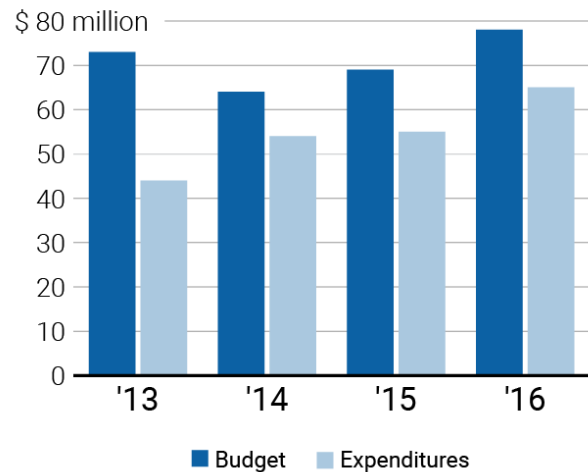
The high unemployment rate among residents without a college degree points to great needs for employment assistance. In 2016, some 15 percent of DC residents without a high school degree, and 16 percent of those with a high school degree, were unemployed in 2016, as compared with just 2.7 percent of residents with a college degree.<sup>6</sup> Addressing the factors behind the underspending should be a top priority for the Bowser administration.

## Budget Creates a New Infrastructure Academy for Jobseekers

The approved 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 academy will establish a partnership between key partners in the infrastructure sector—businesses, trade unions, and the University of the District of Columbia—who

FIGURE 3.

## DOES Continues to Underspend Its Allocated Funding



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

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would work together to provide work-based learning to underserved District residents to create a pipeline to employment.

The budget allocates \$16.75 million in capital money to construct the facility by 2021.

## Budget Fully Funds Start-Up Costs for Paid Family and Medical Leave

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

The estimated start-up administrative costs for the program are \$40 million over 36 months. The FY 2017 budget had allocated \$20 million toward these costs, and the approved FY 2018 budget will fund the additional \$20 million needed to help the new office secure an IT program, office supplies, and other start-up costs.

This means that beginning on October 1, DC can move forward on implementation, so that workers receive their benefits by 2020 as mandated by the statute. 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>7</sup>

### Budget Provides \$2 Million to Fund Transportation Subsidies for Adult Learners and Re-Engaging Youth

The approved FY 2018 budget includes \$2 million to provide transportation assistance to adults in education and training programs. This is an important investment, because the cost of transportation has been identified as a major barrier to participation.<sup>8</sup>

Without transportation assistance, many adults miss classes and are unable to complete their programs. This means that the District has not been getting as much as it could out of its substantial investment of over \$80 million in local and federal dollars to support educational instruction for adult learners.<sup>9</sup>

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

The final FY 2018 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 five 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 one 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.

TABLE 1.

**Funding for Workforce Development in the Department of Employment Services**

In thousands of dollars.

	FY 2016 Actual	FY 2017 Approved	FY 2018 Approved
<b>Total Gross Funding</b>	<b>65,361</b>	<b>78,105</b>	<b>76,536</b>
<b>Job Training and Subsidized Job Programs</b>	<b>50,501</b>	<b>55,653</b>	<b>55,556</b>
Senior Services	612	597	645
Local Adult Training	8,040	8,294	5,471
Office of Apprenticeship Info & Training	809	857	1,150
Veteran Affairs	212	844	694
Year-Round Youth Program	11,465	13,897	11,148
Marion Barry Summer Youth Employment Program	18,061	20,511	18,643
Marion Barry Youth Leadership Institute	956	1,303	1,078
Transitional Employment Program	10,348	9,350	10,244
DC Career Connections*	—	—	4,492
LEAP Academy*	—	—	1,991
<b>Other Workforce Activities</b>	<b>14,859</b>	<b>22,451</b>	<b>20,980</b>
Program Performance Monitoring	962	1,232	890
Employer Services	2,643	2,942	2,703
First Source	1,085	1,179	1,251
One-Stop Operations	8,364	13,355	10,468
Labor Market Information	1,020	1,036	1,040
State-Wide Activities**	785	2,707	4,628

Note: All figures are adjusted for inflation. \* In fiscal years prior to 2018, these programs did not have their own individual line items in the budget. \*\* For fiscal years 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, Fiscal Year 2018

In thousands of dollars.

	General Funds*	Federal Funds	Total Funds**
<b>Total Gross Funding</b>	<b>51,822</b>	<b>22,787</b>	<b>76,536</b>
<b>Job Training and Subsidized Job Programs</b>	<b>46,468</b>	<b>7,162</b>	<b>55,557</b>
Senior Services	123	521	644
Local Adult Training	5,471	0	5,471
Office of Apprenticeship Info & Training	1,150	0	1,150
Veteran Affairs	3	691	694
Year-Round Youth Program	4,561	5,950	11,149
Marion Barry Summer Youth Employment Program	18,383	0	18,643
Marion Barry Youth Leadership Institute	1,078	0	1,078
Transitional Employment Program	9,216	0	10,245
DC Career Connections	4,492	0	4,492
LEAP Academy	1,991	0	1,991
<b>Other Workforce Activities</b>	<b>5,354</b>	<b>15,625</b>	<b>20,979</b>
Program Performance Monitoring	574	315	889
Employer Services	1,028	1,675	2,703
First Source	1,251		1,251
One-Stop Operations	701	9,767	10,468
Labor Market Information	2	1,038	1,040
State-wide Activities†	1,798	2,830	4,628

Notes: \*General funds include local funds and special purpose revenue. \*\*Totals include \$1.667 million in Intra-District funds from the Dept. of Human Services and Dept. of Health to provide supportive services for the Transitional Employment Program, Marion Barry Summer Youth Employment Program (MBSYEP), and year-round youth program, 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.

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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.

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

<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)

<sup>6</sup> Lassiter, L. 2017. “Still Looking for Work: Unemployment in DC Highlights Racial Inequity.” Washington, DC: DC Fiscal Policy Institute.

<sup>7</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>8</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.

<sup>9</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>