

**Testimony of Brittany Alston, Policy Analyst
At the Budget Oversight Hearing for the Department of Employment Services,
Workforce Investment Council, and Deputy Mayor for Greater Economic Opportunity
DC Council Committee on Workforce
April 18, 2018**

Chairperson Silverman and members of the Committee, thank you for the opportunity to testify today. My name is Brittany Alston and I am a policy analyst with the DC Fiscal Policy Institute. DCFPI promotes budget and policy choices to expand economic opportunity for DC residents and to reduce income inequality in the District of Columbia, through independent research and policy recommendations.

I would like to focus my testimony today on two areas—the need to: 1) move to a strategic enforcement model for DC’s labor laws and 2) restore funding for the Career Pathways Innovation Fund.

DOES Should Move to Strategic Enforcement of Labor Laws

Over the past few years, the DC Council enacted promising labor laws to improve the wages and benefits of workers in the District- including increases to the minimum wage, paid sick and safe leave, new penalties for “wage theft” when employers fail to pay workers fully, and protections for workers experiencing discrimination in the workplace.

Strategic enforcement policies for these laws not only educate workers on the protections afforded to them, but also encourage higher rates of compliance amongst employers. Strategic enforcement is a deliberate approach to change the practices of wage violation that have become commonplace in certain industries. A complaints-based model has proven to be less effective than a strategic enforcement model. A more strategic enforcement model would include targeted investigations within industries where evidence shows the greatest labor law violations—industries where workers are most likely to be cheated out of their wages, and where they are least likely to speak up and report such violations.¹

Recent efforts by the Office of Wage Hour (OWH) show some important steps in this direction. For example:

- OWH has launched its tipped worker portal, so that it can monitor whether employees are being paid at least the minimum wage. OWH is engaging in audits where they see violations.
- OWH has held roundtables in key industries on proper compliance with new labor laws.
- OWH is visiting worksites to inform workers of their rights in selected “hot spots,” and conducting random audits of businesses.

In fiscal year (FY) 2017, DOES also conducted 72 investigations without complaints being filed. When broken down by policy, the Department of Employment Services (DOES) found 47 percent

of investigated employers were in violation of the Sick and Safe Leave Act, 50 percent were in violation of the Minimum Wage Act and 100 percent were in some way in violation of the Wage Payment Act. The rate of success shows promise in strategic enforcement.²

However, even more can be done. Additional “strategic enforcement” strategies can include:³

- Conducting targeted investigations within industries where evidence shows the greatest labor law violations. This includes industries where workers are most likely to be cheated out of their wages, *and* where they are least likely to speak up and report such violations.
- Increasing the cost of non-compliance by using all enforcement tools, including civil money penalties, liquidated damages, and debarments.
- Identifying the business’s supply chains, and alerting businesses to suppliers that are particularly egregious violators of labor laws, so that companies can consider whether to utilize the services of suppliers who skirt the law.
- Publicizing the results of significant cases through various media sources. This is an effective way to educate other employers about their responsibilities and encourage compliance.
- Partnering with workers’ organizations and high-road employers to identify bad actors.⁴

OWH has a FY 2019 proposed budget of \$3.3 million with 24 full time positions, a slight decrease overall in employment from the previous year. It should also be noted that moving out of a complaints-based model and to a strategic enforcement model does not have to be more expensive. Triaging complaints—based on severity, number of workers impacted, and/or whether the complainant is still employed at the firm, for example—can save money, which can then be spent more effectively on strategic enforcement.⁵

Budget Should Restore Funding for the Career Pathways Innovation Fund

The District’s recent economic boom has not been shared with all residents. While more than 70 percent of all jobs in DC require postsecondary training, more than 60,000 DC residents lack a high school diploma or equivalent, and roughly 90,000 adults in the District lack the basic skills (literacy, numeracy, English language proficiency and/or digital literacy) to enter and keep jobs with economic security.

Preparing residents for careers requires a comprehensive District-wide adult education and workforce system. The federal Workforce Innovation and Opportunity Act (WIOA) mandates that states align workforce programs to career pathways: coordinated, transparent education and training systems that adults can easily access, whether they need to learn basic skills or build on prior education and experience.

To begin delivering on the promise of Career Pathways and support adult education and workforce providers in meeting WIOA mandates, the DC Council created a \$1.5 million Career Pathways Innovation Fund in FY 2016.

In FY 2018, the Workforce Investment Council (WIC) and the Office of the State Superintendent for Education’s Adult and Family Education division (OSSE AFE) partnered to award Career Pathways Grants. These grants blend federal and local funding, including the Career Pathways Innovation Fund, to focus on the provision of integrated education and training services to District residents to assist with the attainment of educational, language and workforce skills.

While the Career Pathways Grants offered an opportunity to begin the important work of meeting the letter and spirit of WIOA, more can and should be done to build on-ramps so that all learners--especially beginning readers and English Language Learners (ELL)--have access to the skill-building services they need.

The Mayor's proposed FY 2019 budget does not include funding for the Career Pathways Innovation Fund, reducing critical grant funds by roughly 25 percent. If this cut is finalized in the FY 2019 budget, the Career Pathways Grants and the progress achieved so far are at severe risk. Furthermore, additional investments to support programs serving beginning readers and ELL are necessary to ensure no resident is left behind. In order to maintain the programs and services offered through the Career Pathways Innovation Fund, the budget should:

- Reinvest \$1 million of the Career Pathways Innovation Fund to support the existing OSSE/WIC Career Pathways Grants.
- Reinvest \$500,000 to continue supporting the Community of Practice that provides technical assistance for adult education and workforce providers across the District.
- Provide an additional \$500,000 in grant funding to support on-ramps for the lowest level learners. These funds should be strategically directed to programs that can demonstrate they are practicing contextualized education at an appropriate level to allow beginning readers to build their skills with the goal of ultimately moving into the more comprehensive IET model.

Thank you for the opportunity to speak today; I am happy to answer any questions.

¹ Janice Fine. 2017. Presentation to DC Just Pay Implementation Retreat. February 7, 2017.

² http://dccouncil.us/files/user_uploads/budget_responses/DOES_FY17-18_Perf_Oversight_responses_03-06-18.pdf

³ Janice Fine. 2013. "Solving the Problem from Hell: Tripartism as a Strategy for Addressing Labour Standards Non-Compliance in the United States." *Osgoode Hall Law Journal*, Vol. 50, No. 4.

⁴ Janice Fine and Jennifer Gordon. 2010. "Strengthening Labor Standards Enforcement through Partnerships with Workers' Organizations." *Politics and Society*, Vol. 38, No. 4, pp. 552-558.

⁵ Janice Fine. 2017. Presentation to DC Just Pay Implementation Retreat. February 7, 2017.