

## What's In the Proposed Fiscal Year 2019 Budget for Employment and Training?

By Brittany Alston

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) 2019 budget allocates \$75.1 million for workforce development within DOES (*Table 1*, pg 5). This is about \$1.3 million less than the FY 2018 budget, after adjusting for inflation.

### Most Subsidized Job Programs Slightly Increase in the Proposed FY 2019 Budget

The proposed FY 2019 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 (LEAP) Academy. With the exception of LEAP Academy, the budget for subsidized job training programs increased slightly under the proposed FY 2019 budget (*Figure 1*).

### Marion S. Barry Summer Youth Employment Program (MBSYEP)

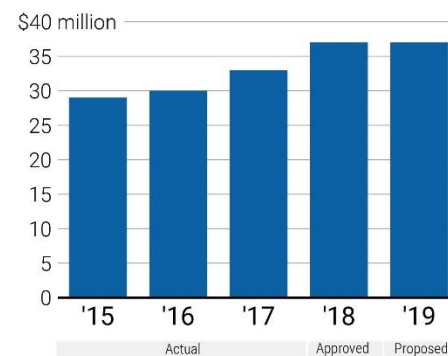
MBSYEP is a locally funded program that provides District youth with summer work experiences through subsidized placements in the private and government sectors. Last year an expansion of eligibility through age 24 (from the prior age limit of 21) was approved. The proposed budget increases funding slightly, from \$20.1 million in FY 2018 to \$20.3 in FY 2019,

#### SUMMARY

- Workforce development funding decreases slightly, from \$78.2 million in FY 2018 to \$75.1 million.
- Proposed FY 2019 budget continues to make investments in four subsidized job training programs, with funds totaling to \$37.5 million.
- DOES continues to underspend, but only underspent by \$8 million in FY 2017.
- The Infrastructure Academy will cost \$9.25 million less than expected, due to large cuts to capital costs.
- \$5.6 million in funding will allow the Paid Family Leave Program to move forward.
- The proposed budget maintains \$2 million in funding for transportation subsidies to adult learners.

FIGURE 1.

### Funding for Subsidized Job Training Programs Remains Steady



Note: All figures are adjusted for inflation.  
Source: Fiscal Year 2015-19 Budget and Financial Plans.

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when adjusted for inflation. Total funding for MBSYEP includes the Marion Barry Summer Youth Employment Program and the Marion Barry Youth Leaders Institute.

### 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. In FY 2017, about 200 participants were placed at 28 subsidized Work Experience (WEX) sites that also offered occupational skills training.<sup>2</sup> The budget proposes \$10.6 million in funding for FY 2019, as compared to \$10.4 in FY 2018 (when adjusted for inflation).

### The DC Career Connections Program (DC-CC)

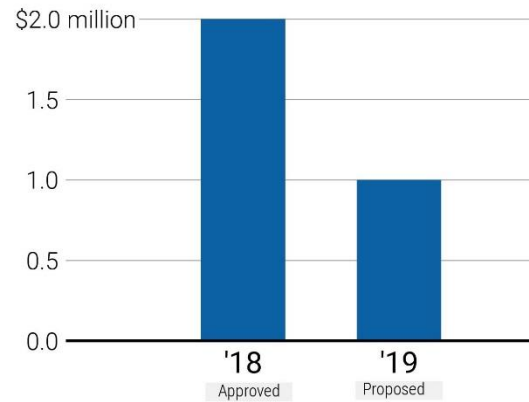
DC-CC is a work readiness program started in FY 2017, specifically targeted to youth aged 20 to 24. It provides up to nine months and 40 hours per week of work experience, skills training, and individualized coaching and support for employment. The program served 320 youth in FY 2017.<sup>3</sup> Seventy four percent of participants who obtained employment retained it two quarters after completing the program.<sup>4</sup> The budget proposes small changes to funding levels, \$1.07 million in FY 2019, as compared to \$1.1 in FY 2018 (when adjusted for inflation).

### 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. The budget proposes \$1 million in funding for the LEAP Academy, a nearly 50 percent cut from last year's total proposed amount of \$2 million, when adjusted for inflation (*Figure 2*).

FIGURE 2.

### Major Decrease to LEAP Academy Funding



Note: All figures are adjusted for inflation.  
Source: Fiscal Year 2018-19 Budget and Financial Plans.

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### Budget Funds a New Infrastructure Academy for Jobseekers

The proposed FY 2019 budget includes \$4 million in operating funds for the new “Washington DC Infrastructure Academy,” which will provide job training in the infrastructure industry, including the utility, energy efficiency, transportation, and logistics sectors. The goal is to provide training in high demand industries to underserved District residents. The proposed budget allocates \$7.5 million in capital money through FY 2024 for the Infrastructure Academy facility, now to be placed at the former Wilkinson Elementary School in Southeast DC. This represents a \$9.25 million decrease from the previous year’s proposed capital budget because the Administration is no longer contemplating constructing a new facility. The budget also includes funding for staff and transportation costs for jobseekers.

### The Career Pathways Innovation Fund Disappears from FY 2019 Budget

The Career Pathways Innovation Fund (CPIF) was created in FY 2016 through the Budget Support Act of 2015. The fund was created to issue grants to design, pilot, and scale best practices in the implementation of adult career pathways and improve district performance as mandated by the Workforce Innovation and Opportunity Act. The Workforce Investment Council (WIC) was allocated \$500,000 in FY 2016 and \$1.5 million per year in FY 2017 for the CPIF. It is unclear how much of this funding remains. The proposed FY 2019 budget also eliminates the fund entirely, without explanation.

### 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 Mayor’s proposed budget provides \$5.6 million for paid family leave implementation and \$40 million in capital costs through 2023, with \$19.9 in proposed funding for FY 2019. This funding will allow the paid leave program to move forward—eventually it will be self-funded through a payroll tax. Benefits from the program will allow private sector workers to be compensated for lost wages when taking time off to care for a new child, an ill family member or their own serious health conditions.

### Budget Maintains \$2 Million in Funding for Transportation Subsidies to Adult Learners and Re-Engaging Youth

Last year’s budget funded \$2 million in 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>5</sup> Currently, the District Department of Transportation (DDOT) and the Deputy Mayor for Education (DME) manage the pilot and provide \$50 per month for Metrobus and Metrorail rides to students in publicly-funded adult education programs. The proposed budget maintains this funding in FY 2019 through DDOT.

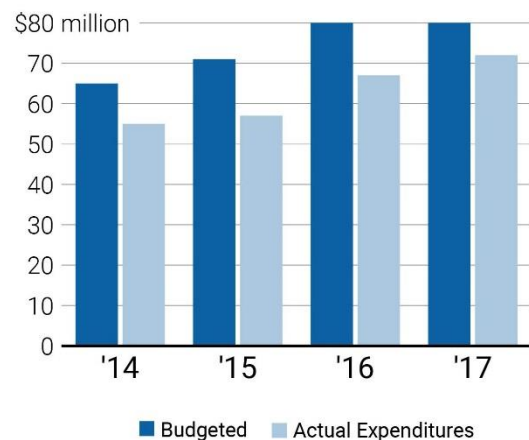
### DOES Continues to Underspend, but Shows Improvement

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 FY 2016, the department spent \$65 million on employment services, compared with \$78 million in available funding (*Figure 3*). In FY 2017, DOES spent \$72 million on employment services and budgeted for \$80 million. This is a significant improvement. All figures have been adjusted for inflation.

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

FIGURE 3.

### DOES Continues to Underspend Its Allocated Funding



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2014-19 Budget and Financial Plans.

16 percent of those with a high school degree, were unemployed, as compared with just 2.7 percent of residents with a college degree.<sup>6</sup> The agency should continue to reduce its levels of

underspending to support comprehensive employment services.

TABLE 1.

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

Gross funding, in thousands of FY 2019 dollars.

	<b>FY 2017 Actual</b>	<b>FY 2018 Approved</b>	<b>FY 2019 Proposed</b>
<b>Job Training and Subsidized Job Programs</b>	<b>54,728</b>	<b>56,825</b>	<b>58,395</b>
Senior Services	667	660	586
Local Adult Training	6,220	5,596	6,499
Infrastructure Academy	0	0	4,042
Office of Apprenticeship Info & Training	914	1,176	1,396
Veteran Affairs	547	710	649
Year-Round Youth Program	13,315	11,403	8,505
Marion Barry Summer Youth Employment Program	21,352	19,069	19,230
Marion Barry Youth Leadership Institute	1,242	1,103	1,073
Transitional Employment*	10,471	10,478	10,639
DC Career Connections	0	4,595	4,778
LEAP Academy	0	2,036	998
<b>Other Workforce Activities</b>	<b>17,213</b>	<b>21,459</b>	<b>16,804</b>
Program Performance Monitoring	991	910	1,019
Employer Services	2,625	2,765	2,136
First Source	885	1,280	1,284
One-Stop Operations	9,317	10,707	9,855
Labor Market Information	1,081	1,064	926
State-wide Activities	2,314	4,734	1,584
<b>Total Gross Funds</b>	<b>71,941</b>	<b>78,285</b>	<b>75,199</b>

Source: Fiscal Year 2019 Proposed Budget &amp; Financial Plan.

Note: All figures are adjusted for inflation.

\*Transitional Employment moved from (4000) Workforce Development to State Initiatives (5000) between FY17 - FY18

TABLE 2.

**Local and Federal Funding Breakdown for Workforce Development Programs in the Proposed FY 2019 Budget**

In thousands of dollars.

	General Fund*	Federal Funds	Gross Funds**
<b>Job Training and Subsidized Job Programs</b>	<b>48,526</b>	<b>5,068</b>	<b>58,395</b>
Senior Services	97	489	586
Local Adult Training	5,509	0	6,499
Infrastructure Academy	3,515	0	4,042
Office of Apprenticeship Info & Training	1,134	262	1,396
Veteran Affairs	3	646	649
Year-Round Youth Program	4,465	3,671	8,505
Marion Barry Summer Youth Employment Program	18,206	0	19,230
Marion Barry Youth Leadership Institute	1,073	0	1,073
Transitional Employment	9,109	0	10,639
DC Career Connections	4,417	0	4,778
LEAP Academy	998	0	998
<b>Other Workforce Activities</b>	<b>3,777</b>	<b>13,027</b>	<b>16,804</b>
Program Performance Monitoring	605	414	1,019
Employer Services	1,028	1,108	2,136
First Source	1,284	0	1,284
One-Stop Operations	454	9,401	9,855
Labor Market Information	2	924	926
State-wide Activities	404	1,180	1,584

Source: Fiscal Year 2019 Proposed Budget & Financial Plan.

Note: All figures are adjusted for inflation.

\*General Funds include Local and Other Funds.

\*\*Gross Funds include Local, Other (equal to General), Private, Intra District and Federal Funds.

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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 Oversight Responses, Attachment 30, 2018.

<sup>3</sup> DOES Oversight Responses, Attachment 30, 2018.

<sup>4</sup> DOES Oversight Responses, #92 , 2018.

<sup>5</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>6</sup> Lassiter, L. 2017. "Still Looking for Work: Unemployment in DC Highlights Racial Inequity." Washington, DC: DC Fiscal Policy Institute.