

What's In the Approved 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.¹

The fiscal year (FY) 2019 budget allocates \$75.6 million for workforce development within DOES (*Table 1*, pg. 4). This is about \$1.8 million less than the FY 2018 budget, after adjusting for inflation.

Most Subsidized Job Programs Slightly Increase in the FY 2019 Budget

The approved 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 FY 2019 budget (*Figure 1*). In total, the budget allocates \$37 million to subsidized job programs.

Marion S. Barry Summer Youth Employment Program (MBSYEP)

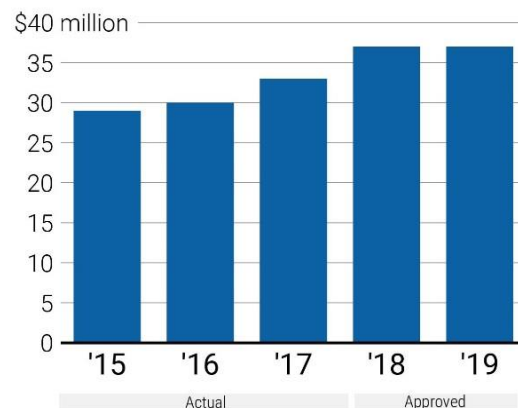
MBSYEP is a locally funded program that provides District youth with summer work experiences through subsidized placements in the private and government sectors. Last year an expansion of eligibility through age 24 (from the prior age limit of 21) was approved. The approved budget increases funding slightly,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

SUMMARY

- Workforce development funding decreases slightly, from \$78.2 million in FY 2018 to \$75.59 million.
- The approved FY 2019 budget continues to make investments in four subsidized job training programs, with funds totaling \$37.5 million.
- DOES continues to underspend, but less than in prior years.
- 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 approved 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.

DC FISCAL POLICY INSTITUTE | DCFPI.ORG

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.² The budget provides \$10.4 million in funding for FY 2019, little change from FY 2018 after adjusting 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 2017.³ Seventy-four percent of participants who obtained employment retained it two quarters after completing the program.⁴ The budget provides small changes to funding levels, \$4.38 million in FY 2019, as compared to \$4.59 million 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 approved FY 2019 budget provides \$1.98 million in funding to the LEAP Academy, about the same as in FY 2018.

Budget Funds Infrastructure Academy for Jobseekers

The 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 to underserved District residents for jobs in high demand industries. The budget also changed plans to build a new facility and instead will place the Infrastructure Academy at the former Wilkinson Elementary School in Southeast DC. The budget allocates \$7.5 million in capital money through FY 2024 for the Infrastructure Academy facility, a \$9.25 million decrease from the previous year’s approved capital budget because of this change in plans. 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 to issue grants to design, pilot, and scale best practices in the implementation of adult career pathways and improve 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 FY 2019 budget maintains previous levels of funding and provides \$1.5 million to the fund.

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 approved budget provides \$5.04 million for paid family leave implementation and \$40 million in capital costs through 2023, with \$23 million in 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.⁵ 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 budget maintains this funding in FY 2019 through DDOT.

DOES Continues to Underspend, but Shows Improvement

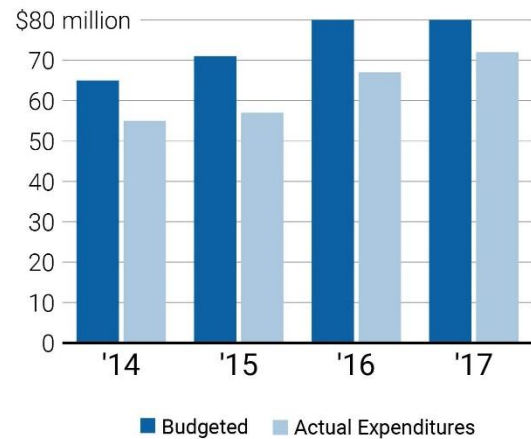
DOES has spent less than its available funding in recent years, raising concerns about its ability to meet the needs of unemployed and underemployed residents. In FY 2016, the Department spent \$65 million on employment services, compared with \$78 million in available

funding (*Figure 2*). 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 16 percent of those with a high school degree, were unemployed, as compared with just 2.7 percent of residents with a college degree.⁶ The agency should continue to reduce its levels of underspending to support comprehensive employment services.

FIGURE 2.

DOES Continues to Underspend Its Allocated Funding



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

TABLE 1.

Funding for Workforce Development in the Department of Employment Services

Gross funding, in thousands of FY 2019 dollars.

	FY 2017 Actual	FY 2018 Approved	FY 2019 Approved
Job Training and Subsidized Job Programs	54,728	56,825	58,691
Senior Services	667	660	586
Local Adult Training	6220	5596	6499
Infrastructure Academy	0	0	4042
Office of Apprenticeship Info & Training	914	1176	1396
Veteran Affairs	547	710	649
Year-Round Youth Program	13315	11403	8429
Marion Barry Summer Youth Employment Program	21352	19069	19230
Marion Barry Youth Leadership Institute	1242	1103	1073
Transitional Employment*	10471	10478	10421
DC Career Connections	0	4595	4378
LEAP Academy	0	2036	1988
Other Workforce Activities	17,213	21,459	16,906
Program Performance Monitoring	991	910	1016
Employer Services	2625	2765	2132
First Source	885	1280	1224
One-Stop Operations	9317	10707	9855
Labor Market Information	1081	1064	926
State-wide Activities	2314	4734	1753
Total Gross Funds	71,941	78,285	75,597

Source: Fiscal Year 2019 Approved Budget & 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 Approved FY 2019 Budget

In thousands of dollars.

	General Fund*	Federal Funds	Gross Funds**
Job Training and Subsidized Job Programs	47,831	5,068	58,691
Senior Services	97	489	586
Local Adult Training	5509	0	6499
Infrastructure Academy	3515	0	4042
Office of Apprenticeship Info & Training	1134	262	1396
Veteran Affairs	3	646	649
Year-Round Youth Program	4389	3671	8429
Marion Barry Summer Youth Employment Program	18206	0	19230
Marion Barry Youth Leadership Institute	1073	0	1073
Transitional Employment	8890	0	10421
DC Career Connections	4017	0	4378
LEAP Academy	998	0	1988
Other Workforce Activities	3,879	13,027	16,906
Program Performance Monitoring	602	414	1016
Employer Services	1024	1108	2132
First Source	1224	0	1224
One-Stop Operations	454	9401	9855
Labor Market Information	2	924	926
State-wide Activities	573	1180	1753

Source: Fiscal Year 2019 Approved 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.

¹ 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.

² DOES Oversight Responses, Attachment 30, 2018.

³ DOES Oversight Responses, Attachment 30, 2018.

⁴ DOES Oversight Responses, #92 , 2018.

⁵ 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.

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