Committee on Labor and Workforce Development

Elissa Silverman, Chairperson
FISCAL YEAR 2022 COMMITTEE BUDGET REPORT

To: Members of the Council of the District of Columbia

From: Councilmember Elissa Silverman
Chairperson, Committee on Labor and Workforce Development

Date: April 21, 2022

Subject: Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2023 Budget for Agencies Under Its Purview

The Committee on Labor and Workforce Development ("Committee"), having conducted hearings and received testimony on the Mayor's proposed operating and capital budgets for Fiscal Year 2023 ("FY 2023") for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2023 Budget Support Act of 2022, as proposed by the Mayor.

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I. SUMMARY

A. EXECUTIVE SUMMARY

The coronavirus pandemic has both overshadowed everything and cast a bright spotlight on our city's biggest challenges and inequities. Now more than ever, District government needs to smartly and strategically deploy our resources to build a more a more just and resilient economy that truly uplifts District residents, workers, and local businesses, especially those that have been pummeled and traumatized by COVID-19. Next year's budget, which is boosted due to the infusion of federally-funded American Rescue Plan Act (ARPA) dollars, presents a game-changing opportunity to put in place key investments that can have immediate impact as well as an impact on District families for generations.

We cannot afford to squander this moment.

The time is now to make these key investments so the District will get a big return. The foundation has been laid in previous budgets, and the strategic deployment of ARPA funds will supercharge these efforts. The Committee on Labor and Workforce Development has been focused on building career pipelines into the District's key industry sectors, such as healthcare, IT, and infrastructure, so that **District residents** are the best prepared for jobs not only with District employers but with businesses and nonprofits throughout this region. **It is the committee's opinion that helping District residents secure living-wage employment with potential for career growth is most sustainable and effective way to combat poverty and attack the racial equity gap in our city that is so pernicious.** Once again, coronavirus exposed our current vulnerabilities and shortcomings: When DC's hospitals, who are the city's largest private sector employers, distributed the first round of COVID vaccines, three out of four doses went to non-DC residents! For our public health and for our economic health, we need to turn these numbers around so that a majority of DC's healthcare jobs go to DC residents! **That's why the Committee has made major investments in nursing and healthcare-related training programs, including at our city's public university.**

Currently, both public and private-sector employers say they are desperate for qualified workers who have the training and credentials they need, like a commercial driver's license (CDL). Again, we need to deploy budget resources now, in the FY2023 budget, not in another year or two to address this need that helps both employers and job seekers! **That's why the Committee has worked with the Department of Employment Services and WMATA to implement a program in this budget that will train residents in CDL and put them on a path for jobs at our regional transit authority as well as in private sector logistics and infrastructure careers.** The Committee also continues its commitment to getting DC residents into careers in information technology, with grants to community organizations as well as to UDC for IT training. **DCPS and our adult charter schools also provide vital workforce training, and the Committee recognizes this by transferring funds to the help increase the adult learner per pupil funding formula.**

The Committee also recognizes the need to invest in our future workforce as well. **That's why the Committee is giving a major boost to a year-round youth employment program known as the School Year Internship Program. The program was created by the Committee two years ago in response to repeated pleas by young DC residents to earn income and gain valuable on the job experiences outside of summer. The School Year Internship Program is made permanent with recurring funding and will almost triple in size in FY2023. In a pilot approach, one hundred slots for the program will be reserved for at-risk youth who have been identified by DC agencies and nonprofits as especially in need of mentoring and skills development.**

The Committee also wanted to address public safety in this budget. Our city is making substantial investments in violence interruption, which is important work that does not currently have a career path. Violence interrupters have valuable skills, and many express a desire to continue in social work and behavioral health. To that end, **the Committee has appropriated money to build out career pathways for these critical public safety workers. In addition, the Committee restored funding that was cut for a Jobs First grant program that is designed to help returning citizens and those with obstacles to employment to get directly into full-time work, earning a full salary.**

The District also needs to make sure a strong safety net is in place. The Committee continues its focus on modernizing the city's Unemployment Insurance system. UI and the pandemic-related programs helped keep many households economically stable, despite serious customer service and system dysfunction. **Many of these same workers could not pay rent during this time, which is why the Committee made a significant investment in the FY 2022 budget on an innovative eviction diversion program. Initial data shows the program is incredibly effective, which is why the Committee is doubling its funding commitment for eviction diversion in FY2023.**

In summary, the Committee makes the following investments and legislative improvements to the Fiscal Year 2023 proposed budget:

<u>Building Career Pipelines for District Residents into Key Industries and Employers</u>

- Significant investment in **Commercial Driver's License training** including building jobs pipeline to WMATA and other infrastructure careers, $1 million
- Boost funding to the University of the District of Columbia's Community College and Workforce Development and Lifelong Learning program to build **career pathways in healthcare** (specifically home care and nursing), with additional funding for full-time faculty, $980,000 per year
- Boost funding for **grants to community training providers in IT,** $2.75 million
- Boost funding for **grants to community training providers in healthcare,** $1.3 million
- Fund a **study of career pathways for District violence interrupters**, $500,000

- Restore funding for innovative **Jobs First pilot to help returning citizens and those with barriers such as homelessness to obtain permanent employment** in jobs that pay at least $15/hour, $606,000

Setting Up Our Youth and Adult Learners for Personal and Career Success

- **Permanent expansion the School Year Internship Program to provide employment to 1,000 D.C. students**, $2 million per year
- **Reserve 100 School Year Internship slots for our most at-risk youth** and provide supplementary financial support to employer hosts to provide extra services such as coaching and workshops, $350,000
- **Increase adult per pupil funding formula to bring more resources to adult learners in DC public schools and adult charter schools,** $1 million per year

Strong Safety Net to Aid District Residents at Greatest Economic Risk

- Keep District residents in their homes by doubling the Committee's previous investment in **eviction diversion**, totaling $3 million (including $1.5 million per year)
- **Prevent the District from suing District workers** in order to collect on old, erroneous payments form the unemployment insurance system
- Restore funding for the Committee's initiative to create a **Commission on Poverty**, $150,000 per year
- Muscular enforcement of workers' rights by funding additional staff at the Office of the Attorney General, totaling $656,000
- Fund legislation that will allow District residents to obtain or renew a driver's license despite owing outstanding debt to the District, $2 million

Supporting Workers through Public and Private Sector Paid Family and Medical Leave

- Start **expanded paid leave benefits** for District private sector workers for leaves necessary after July 1, 2022, totaling $7.4 million
- Establish **paid medical leave for District government** workers as well as additional staff for DCHR to administer and implement, $4.8 million
- Consolidate programs **allowing District government employees to transfer leave** hours to other employees

Improve Efficiency of District Government Operations

- End requirement that appeals to the Office of Employee Appeals go through mediation before they can be heard by a hearing examiner

B. Fiscal Year 2023 Agency Operating Budget Summary

Operating Budget Summary

Fund Type	Fund Detail	FY 2022 Approved	Mayor's FY 2023 Proposed	Committee Variance	Committee's FY 2023 Recommendation	Committee Percent Change
Department of Employment Services						
FEDERAL GRANT FUND	FEDERAL GRANTS	$43,734,637	$43,996,521	$0	$43,996,521	0.60%
FEDERAL GRANT FUND	FEDERAL GRANTS - COVID19	$105,693	$118,267	$0	$118,267	11.90%
FEDERAL GRANT FUND	FEDERAL GRANTS STIMULUS	$165,053	$2,657,055	$0	$2,657,055	1509.82%
FEDERAL PAYMENTS	ARPA - COUNTY	$6,453,755	$0	$0	$0	(100.00%)
FEDERAL PAYMENTS	ARPA - MUNICIPAL	$3,802,548	$4,594,463	($4,594,463)	$0	(100.00%)
FEDERAL PAYMENTS	ARPA - STATE	$43,247,861	$34,125,567	$10,314,432	$44,439,999	2.76%
LOCAL FUND	ARPA - LOCAL REVENUE REPLACEMENT	$2,100,000	$0	$1,693,600	$1,693,600	(19.35%)
LOCAL FUND	LOCAL FUNDS	$54,489,078	$76,365,667	($7,610,000)	$68,755,667	26.18%
OPERATING INTRA-DISTRICT FUNDS	INTRA-DISTRICT	$1,535,120	$0	$0	$0	(100.00%)
PRIVATE GRANT FUND	PRIVATE GRANT FUND	$928,007	$928,008	$0	$928,008	0.00%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	DC JOBS TRUST FUND	$350,000	$350,000	$0	$350,000	0.00%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	SPECIAL PURPOSE REVENUE FUND	$12,867	$58,238	$0	$58,238	352.61%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	U. I. INTEREST/PENALTIES	$2,552,767	$5,349,415	$0	$5,349,415	109.55%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	UI ADMINISTRATIVE ASSESSMENT	$15,174,807	$11,968,250	$0	$11,968,250	(21.13%)
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	UNIVERSAL PAID LEAVE ADMINISTRATION FUND	$29,910,000	$32,384,857	$0	$32,384,857	8.27%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	WAGE THEFT	$295,350	$286,137	$0	$286,137	(3.12%)
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	WORKERS' COMPENSATION ADMIN.	$19,294,089	$20,095,589	$0	$20,095,589	4.15%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	WORKERS' COMPENSATION SPECIAL FUND	$2,300,000	$2,300,000	$0	$2,300,000	0.00%
TOTAL GROSS FUNDS		**$226,451,633**	**$235,578,036**	**($196,431)**	**$235,381,605**	**3.94%**
Department of Human Resources						
LOCAL FUND	ARPA - LOCAL REVENUE REPLACEMENT	$150,000	$0	$0	$0	(100.00%)
LOCAL FUND	LOCAL FUNDS	$11,344,817	$13,023,765	$472,000	$13,495,765	18.96%
OPERATING INTRA-DISTRICT FUNDS	HEALTH BENEFITS ASSESSMENT	$7,104,300	$0	$0	$0	(100.00%)
OPERATING INTRA-DISTRICT FUNDS	MOU FUNDS	$889,418	$0	$0	$0	(100.00%)
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	AGREEMENT WITH INDEPENDENT AGENCIES	$100,250	$100,250	$0	$100,250	0.00%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	DEFINED BENEFITS RETIREMENT PROGRAM	$488,377	$509,647	$0	$509,647	4.36%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	HEALTH BENEFIT ASSESSMENT	$0	$7,878,031	$0	$7,878,031	
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	REIMBURSABLES FROM OTHER GOVERNMENTS	$161,218	$165,869	$0	$165,869	2.88%
TOTAL GROSS FUNDS		**$20,238,381**	**$21,677,562**	**$472,000**	**$22,149,562**	**9.44%**
Employees' Compensation Fund						
LOCAL FUND	DISABILITY COMP. NON - LAPSING LOCAL	$22,146,569	$22,219,334	$0	$22,219,334	0.33%
TOTAL GROSS FUNDS		**$22,146,569**	**$22,219,334**	**$0**	**$22,219,334**	**0.33%**
Office of Employee Appeals						
LOCAL FUND	LOCAL FUNDS	$2,234,311	$2,310,711	$0	$2,310,711	3.42%
TOTAL GROSS FUNDS		**$2,234,311**	**$2,310,711**	**$0**	**$2,310,711**	**3.42%**
Office of Labor Relation and Collective Bargaining						
LOCAL FUND	LOCAL FUNDS	$2,586,044	$3,163,254	$0	$3,163,254	22.32%
TOTAL GROSS FUNDS		**$2,586,044**	**$3,163,254**	**$0**	**$3,163,254**	**22.32%**
Office of the Deputy Mayor for Education						
FEDERAL PAYMENTS	ARPA - MUNICIPAL	$900,000	$0	$0	$0	(100.00%)
FEDERAL PAYMENTS	ARPA - STATE	$0	$0	$8,687,042	$8,687,042	
FEDERAL PAYMENTS	ARPA FUNDS 2021	$15,459,312	$0	$8,633,499	$8,633,499	(44.15%)
LOCAL FUND	LOCAL FUNDS	$3,932,028	$3,995,542	$980,000	$4,975,542	26.54%
OPERATING INTRA-DISTRICT FUNDS	DME WIC	$1,520,741	$0	$0	$0	(100.00%)
TOTAL GROSS FUNDS		**$21,812,081**	**$3,995,542**	**$18,300,541**	**$22,296,083**	**2.22%**
Public Employee Relations Board						
LOCAL FUND	LOCAL FUNDS	$1,314,584	$1,362,828	$0	$1,362,828	3.67%
TOTAL GROSS FUNDS		**$1,314,584**	**$1,362,828**	**$0**	**$1,362,828**	**3.67%**
Unemployment Compensation Fund						
LOCAL FUND	LOCAL FUNDS	$5,480,390	$5,480,390	$0	$5,480,390	0.00%
TOTAL GROSS FUNDS		**$5,480,390**	**$5,480,390**	**$0**	**$5,480,390**	**0.00%**
Unemployment Insurance Trust Fund						
ENTERPRISE AND OTHER FUNDS	CONT. UNEMP. INSU.	$226,112,000	$149,000,000	$0	$149,000,000	(34.10%)
ENTERPRISE AND OTHER FUNDS	DC GOVERNMENT	$5,480,390	$5,480,390	$0	$5,480,390	0.00%
ENTERPRISE AND OTHER FUNDS	DUE TO OTHER STATES	$10,885,949	$10,885,949	$0	$10,885,949	0.00%
ENTERPRISE AND OTHER FUNDS	UI BENEFITS - TEMPORARY EXTENSION	$1,000,000	$1,000,000	$0	$1,000,000	0.00%
ENTERPRISE AND OTHER FUNDS	UI-UCFE	$23,521,842	$10,000,000	$0	$10,000,000	(57.49%)
ENTERPRISE AND OTHER FUNDS	UI-UCX	$315,756	$315,756	$0	$315,756	0.00%
TOTAL GROSS FUNDS		**$267,315,936**	**$176,682,095**	**$0**	**$176,682,095**	**(33.91%)**
Unemployment Insurance Trust Fund (Local)						
LOCAL FUND	ARPA - LOCAL REVENUE REPLACEMENT	$5,000,000	$0	$0	$0	(100.00%)
TOTAL GROSS FUNDS		**$5,000,000**	**$0**	**$0**	**$0**	**(100.00%)**
Universal Paid Leave Fund						
ENTERPRISE AND OTHER FUNDS	PAID FAMILY LEAVE TAX AND BENEFIT FUND	$339,675,879	$115,360,181	$0	$115,360,181	(66.04%)
TOTAL GROSS FUNDS		**$339,675,879**	**$115,360,181**	**$0**	**$115,360,181**	**(66.04%)**
Workforce Investments Account						
LOCAL FUND	LOCAL FUNDS	$72,449,250	$64,175,904	$0	$64,175,904	(11.42%)
TOTAL GROSS FUNDS		**$72,449,250**	**$64,175,904**	**$0**	**$64,175,904**	**(11.42%)**

C. FISCAL YEAR 2023 AGENCY FULL-TIME EQUIVALENT

Agency Full-Time Equivalent Summary					
Fund Type	FY 2022 Approved	Mayor's FY 2023 Proposed	Committee Variance	Committee's FY 2023 Recommendation	Committee Percent Change
Department of Employment Services					
LOCAL FUND	237.44	248.11	0.00	248.11	4.49%
FEDERAL PAYMENTS	61.00	60.00	(60.00)	0.00	(100.00%)
FEDERAL GRANT FUND	230.94	232.24	0.00	232.24	0.56%
PRIVATE GRANT FUND	0.00	0.00	0.00	0.00	
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	353.19	405.99	0.00	405.99	14.95%
ENTERPRISE AND OTHER FUNDS	0.00	0.00	0.00	0.00	
OPERATING INTRA-DISTRICT FUNDS	8.40	0.00	0.00	0.00	(100.00%)
TOTAL FTE	**890.97**	**946.34**	**(60.00)**	**886.34**	**(0.52%)**
Department of Human Resources					
LOCAL FUND	117.00	117.00	3.00	120.00	2.56%
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	7.80	49.50	0.00	49.50	534.62%
OPERATING INTRA-DISTRICT FUNDS	42.00	0.00	0.00	0.00	(100.00%)
TOTAL FTE	**166.80**	**166.50**	**3.00**	**169.50**	**1.62%**
Employees' Compensation Fund					
LOCAL FUND	49.00	49.00	0.00	49.00	0.00%
TOTAL FTE	**49.00**	**49.00**	**0.00**	**49.00**	**0.00%**
Office of Employee Appeals					
LOCAL FUND	14.40	15.00	0.00	15.00	4.17%
TOTAL FTE	**14.40**	**15.00**	**0.00**	**15.00**	**4.17%**
Office of Labor Relation and Collective Bargaining					
LOCAL FUND	17.00	17.00	0.00	17.00	0.00%
OPERATING INTRA-DISTRICT FUNDS	0.00	0.00	0.00	0.00	
TOTAL FTE	**17.00**	**17.00**	**0.00**	**17.00**	**0.00%**
Office of the City Administrator					
LOCAL FUND	0.00	0.00	0.00	0.00	
OPERATING INTRA-DISTRICT FUNDS	0.00	0.00	0.00	0.00	
TOTAL FTE	**0.00**	**0.00**	**0.00**	**0.00**	
Office of the Deputy Mayor for Education					
LOCAL FUND	8.97	9.07	0.00	9.07	1.11%
FEDERAL PAYMENTS	5.00	0.00	0.00	0.00	(100.00%)
OPERATING INTRA-DISTRICT FUNDS	3.93	0.00	0.00	0.00	(100.00%)
TOTAL FTE	**17.90**	**9.07**	**0.00**	**9.07**	**(49.33%)**
Public Employee Relations Board					
LOCAL FUND	8.00	8.00	0.00	8.00	0.00%
TOTAL FTE	**8.00**	**8.00**	**0.00**	**8.00**	**0.00%**

D. FY 2023 - 2028 AGENCY CAPITAL BUDGET SUMMARY

Row Labels	Sum of Available Allotment as of 16 Mar 2022 (includes Pre-Encumbrances)	Sum of FY 2023 Planned Allotment	Sum of FY 2024 Planned Allotment	Sum of FY 2025 Planned Allotment	Sum of FY 2026 Planned Allotment	Sum of FY 2027 Planned Allotment	Sum of FY 2028 Planned Allotment	Sum of FY 2023-FY 2028 Total Planned Allotment
DEPARTMENT OF EMPLOYMENT SERVICES								
4058 NETWORK INFRASTRUCTURE								
Existing Balances	1,735,000	0	0	0	0	0	0	0
4058 NETWORK INFRASTRUCTURE Total	1,735,000	0	0	0	0	0	0	0
DC APPRENTICESHIP MANAGEMENT SYSTEM								
Mayor's Proposed FY23 Change	0	670,000	250,000	0	0	0	0	920,000
DC APPRENTICESHIP MANAGEMENT SYSTEM Total	0	670,000	250,000	0	0	0	0	920,000
DC INFRASTRUCTURE ACADEMY								
Approved FY22 CIP for FY23-27	0	14,255,150	0	0	0	0	0	14,255,150
Existing Balances	40,085,889	0	0	0	0	0	0	0
DC INFRASTRUCTURE ACADEMY Total	40,085,889	14,255,150	0	0	0	0	0	14,255,150
DOES DATAWORKS								
Existing Balances	73,605	0	0	0	0	0	0	0
DOES DATAWORKS Total	73,605	0	0	0	0	0	0	0
DOWNTOWN AMERICAN JOB CENTER								
Mayor's Proposed FY23 Change	0	3,000,000	1,700,000	0	0	0	0	4,700,000
Committee's FY23 Recommendation	0	(2,700,000)	2,700,000	0	0	0	0	0
DOWNTOWN AMERICAN JOB CENTER Total	0	300,000	4,400,000	0	0	0	0	4,700,000
PAID FAMILY LEAVE IT APPLICATION								
Existing Balances	2,601,890	0	0	0	0	0	0	0
PAID FAMILY LEAVE IT APPLICATION Total	2,601,890	0	0	0	0	0	0	0
SUMMER YOUTH EMPLOYMENT PROGRAM- CAPITAL								
Approved FY22 CIP for FY23-27	0	2,000,000	0	0	0	0	0	2,000,000
Existing Balances	214,005	0	0	0	0	0	0	0
SUMMER YOUTH EMPLOYMENT PROGRAM- CAPITAL Total	214,005	2,000,000	0	0	0	0	0	2,000,000
UI MODERNIZATION PROJECT-FEDERAL								
Existing Balances	24,667,142	0	0	0	0	0	0	0
UI MODERNIZATION PROJECT-FEDERAL Total	24,667,142	0	0	0	0	0	0	0
DEPARTMENT OF EMPLOYMENT SERVICES Total	69,377,531	17,225,150	4,650,000	0	0	0	0	21,875,150
Grand Total	69,377,531	17,225,150	4,650,000	0	0	0	0	21,875,150

E. Transfers with Other Committees

Transfers in from Other Committees						
Sending Committee	***Amount***	***FTEs***	***Receiving agency***	***Program***	***Purpose***	***Recurring or One-Time***
Recreation	$150,000	2	DOES	Poverty Commission	Restore funds to Poverty Commission	Recurring
TOTAL	$150,000	2				

Transfers out to Other Committees						
Receiving Committee	***Amount***	***FTEs***	***Receiving agency***	***Program***	***Purpose***	***Recurring or One-Time***
Judiciary	$288,000 per year, $656,000 total Over 3 years	2	OAG (CB0)	Public Advocacy Division, Program 5400	2 attorneys to focus on enforcement of sick leave and paid family and medical leave	ARPA
Judiciary	$1.5m local recurring $1.5m ARPA		OVSJG (FO0)	Program 3000	Eviction Diversion	Both
COW	$4.365m local		Non-Departmental (DO0)	1100	Paid medical leave for DC government employees	Recurring
COW	$500,000		UDC (GG0)	1000/1100	Study on violence interrupter career pathways	One-time
COW	$908,870		DC Public Charter Schools (GC0)	1000	UPSFF adult student weight increase	Recurring
COW	$91,130		DCPS (GA0)	S100	UPSFF adult student weight increase	Recurring
Business	$2 million		OCFO (AT0)	XXXX	Clean hands	One-time
TOTAL	**$11.5 million**	**2**				

F. FUNDING OF BUDGET SUPPORT ACT SUBTITLES

Subtitle	*Agency*	*Program/ Activity*	*Amount*	*FTEs*
Universal Paid Leave Amendment Act of 2022	UL0 CF0	6000 6000	$7.2 million $250,000	0
District Government Leave Amendment Act of 2022	DO0 BE0	1100 2120 4520	$4.365m $369,000 $103,000	4
School Year Internship Program Amendment Act of 2022	CF0	4810	$2.4m	3

G. FUNDING OF PENDING BILLS OR LAWS PASSED SUBJECT TO APPROPRIATION

Bill or Law #	*Status*	*Agency*	*Program*	*Amount*	*FTEs*
N/A					

H. Summary of Committee Budget Recommendations

Please see the Executive Summary (Chapter I.A) and Attachment A to this report.

II. AGENCY FISCAL YEAR 2023 BUDGET RECOMMENDATIONS

A. INTRODUCTION

The Committee on Labor and Workforce Development is responsible for oversight of public and private sector employee and employer issues. This includes District employee personnel, disciplinary, appeal, and union matters; private sector labor standards including the minimum wage, paid sick and safe time, paid family and medical leave; private sector workers' compensation; unemployment insurance; and job training and workforce development programs.

The District agencies, boards, and commissions that come under the Committee's purview are as follows:

- Adult Career Pathways Taskforce
- Apprenticeship Council
- Department of Employment Services
- Department of Human Resources
- Employees' Compensation Fund
- Office of Employee Appeals
- Office of Labor Relations and Collective Bargaining
- Public Employees Relations Board
- Unemployment Compensation Fund
- Universal Paid Leave Fund
- Workforce Investments Account
- Workforce Investment Council
- Youth Apprenticeship Advisory Committee

The Committee is chaired by Councilmember Elissa Silverman (At-Large). The other members of the Committee are Councilmembers Christina Henderson (At-Large), Janeese Lewis George (Ward 4), Robert White (At-Large), and Trayon White (Ward 8).

The Committee held performance and budget oversight hearings on the following dates:

Performance Oversight Hearings	
January 26, 2022	Department of Human Resources Office of Labor Relations & Collective Bargaining
February 4, 2022	Office of Employee Appeals Public Employee Relations Board
February 10, 2022	Workforce Investment Council (government witnesses)
February 14, 2022	Department of Employment Service (public witnesses)
February 17, 2022	Department of Employment Services (government witnesses)

Budget Oversight Hearings	
March 22, 2022	Department of Employment Services (public witnesses)
March 28, 2022	Department of Employment Services (government witnesses)
April 1, 2022	Office of Employee Appeals Public Employee Relations Board
April 4, 2022	Workforce Investment Council
April 6, 2022	Department of Human Resources Office of Labor Relations and Collective Bargaining

The Committee received important comments from members of the public and government witnesses during these hearings. Copies of witness lists and witness testimony from the five budget hearings are included in this report as Attachment C. Copies of witness lists and witness testimony from the five performance oversight hearings may be found in Attachment C and on the Legislative Information Management System at lims.dccouncil.us. A video recording of all hearings can be obtained through the DC Council video archive at http://dccouncil.us/video-archive/.

B. DC DEPARTMENT OF HUMAN RESOURCES (BE0)

1. AGENCY MISSION AND OVERVIEW

The mission of the D.C. Department of Human Resources ("DCHR") is to strengthen individual and organizational performance and enable the District government to attract, develop, and retain a highly qualified, diverse workforce.

DCHR offers executive management to District government officials and agencies by providing personnel-related services to help each agency meet daily mission mandates. Specific services provided include position classification and recruitment services, the interpretation of personnel-related policy, as well as oversight control (such as the adherence to regulatory requirements) for effective recruitment and staffing, strategic and financial restructuring through realignment assistance, and resource management. In addition, the agency provides District government employees with a variety of services, including employee benefits and compensation guidance, performance management, compliance, audit assessments, legal guidance on personnel matters, and learning and development.

2. FISCAL YEAR 2023 OPERATING BUDGET

Department of Human Resources					
1000 - AGENCY MANAGEMENT					
1010 - PERSONNEL	$4,847,376	$4,669,229	$0	$4,669,229	(3.68%)
1030 - PROPERTY MANAGEMENT	$5,258	$4,587	$0	$4,587	(12.75%)
1080 - COMMUNICATIONS	$255,976	$264,784	$0	$264,784	3.44%
1085 - CUSTOMER SERVICE	$439,970	$444,749	$0	$444,749	1.09%
TOTAL PROGRAM FUNDS	**$5,548,580**	**$5,383,350**	**$0**	**$5,383,350**	**(2.98%)**
2100 - GENERAL COUNSEL					
2120 - LEGAL	$1,428,942	$1,522,605	$368,965	$1,891,569	32.38%
TOTAL PROGRAM FUNDS	**$1,428,942**	**$1,522,605**	**$368,965**	**$1,891,569**	**32.38%**
2200 - BENEFITS AND RETIREMENT SERVICES					
2210 - BENEFITS OPERATION UNIT	$2,632,164	$2,758,022	$0	$2,758,022	4.78%
2220 - POLICE AND FIRE RETIREMENT RELIEF BOARD	$649,595	$675,516	$0	$675,516	3.99%
TOTAL PROGRAM FUNDS	**$3,281,759**	**$3,433,538**	**$0**	**$3,433,538**	**4.62%**
2700 - HR SOLUTIONS					
2710 - RECRUITING AND STAFFING	$2,315,316	$2,306,387	$0	$2,306,387	(0.39%)
2720 - CLASSIFICATION	$698,394	$955,804	$0	$955,804	36.86%
2730 - INFORMATION TECHNOLOGY	$1,154,625	$2,657,944	$0	$2,657,944	130.20%
2740 - ANALYTICS	$432,927	$445,402	$0	$445,402	2.88%
TOTAL PROGRAM FUNDS	**$4,601,262**	**$6,365,537**	**$0**	**$6,365,537**	**38.34%**
3000 - LEARNING AND DEVELOPMENT					
3100 - TRAINING AND DEVELOPMENT	$1,861,022	$1,820,156	$0	$1,820,156	(2.20%)
3200 - CAPITAL CITY FELLOWS	$197,702	$394,943	$0	$394,943	99.77%
3300 - SPECIAL PROGRAMS	$795,376	$549,694	$0	$549,694	(30.89%)
TOTAL PROGRAM FUNDS	**$2,854,100**	**$2,764,793**	**$0**	**$2,764,793**	**(3.13%)**
4300 - STRATEGIC HUMAN CAPITAL					
4310 - PERFORMANCE MEASUREMENT	$522,500	$548,741	$0	$548,741	5.02%
TOTAL PROGRAM FUNDS	**$522,500**	**$548,741**	**$0**	**$548,741**	**5.02%**
4500 - POLICY AND COMPLIANCE					
4510 - COMPLIANCE	$1,282,093	$879,673	$0	$879,673	(31.39%)
4520 - POLICY	$719,144	$779,326	$103,036	$882,362	22.70%
TOTAL PROGRAM FUNDS	**$2,001,237**	**$1,658,999**	**$103,036**	**$1,762,035**	**(11.95%)**
TOTAL AGENCY FUNDS	**$20,238,381**	**$21,677,562**	**$472,000**	**$22,149,562**	**9.44%**

Committee Analysis and Recommendations

a. Budget Recommendations

1. Fund District Government Leave Amendment Act of 2022 (BSA Subtitle) ($472,000 recurring)

The Committee recommends funding the District Government Leave Amendment Act of 2022 (BSA Subtitle) in the amount of $472,000 recurring funds for DCHR to hire staff to administer the subtitle. This includes 4 FTEs, 3 permanent staff (2 at Grade 12 and 1 at Grade 11) and 1 term employee for 2 years (at Grade 12). The subtitle will provide 2 weeks of paid medical leave to District government employees, as well as combine the Annual Leave Bank and the Voluntary Leave Transfer Program. See Chapter IV.B.1 for further discussion of this subtitle.

b. Policy Recommendations

1. Implement consistent employee education opportunities on different leave options available

In numerous public hearings, District government workers have expressed confusion about the leave available when either they or a close family member experiences illness or a serious medical condition requiring care. During this budget season, the Committee heard from workers who testified in favor of increased employee education efforts regarding the various leave opportunities available, such as sick leave, annual leave, short-term disability, COVID leave, etc. While many workers receive an initial overview of leave benefits at the beginning of employment, circumstances surrounding their personal lives can potentially evolve as their careers unfold. As an example, the leave that might not be relevant to a new 25-year-old employee may potentially become relevant as she enters her 30s and begins family planning and/or caring for aging loved ones. In this scenario, having refreshers on the different leave options would allow DCHR to be proactive, instead of reactive, with regards to the evolving needs of the District’s workforce.

Undoubtedly, there is a need for increased employee education as this Committee has received numerous testimonies conveying an unawareness and/or misunderstanding of the leave options available. The Committee commends DCHR for having a variety of options available for its workforce, but in practice workers seem unable to capitalize on their options due to confusion and being ill-informed. As an example, some DC government workers use Leave Without Pay to take time to manage personal medical conditions when other options are available. With this in mind, the Committee recommends that DCHR commit to educating the District government workforce on its leave options in a clear, consistent manner. Education on leave options should occur throughout an employee’s career in District government and it should presented be in a visual, plain language format. The open enrollment season is an obvious time to offer additional information or refresh knowledge because it is a time when many employees reconsider benefits, but many other life events such as a birth or death in the family occur outside this time. Therefore, DCHR should have additional opportunities throughout the year to learn more about employee benefits.

2. Consider streamlining leave applications and develop strategies to implement

Through the public oversight process, it has become apparent that there is both interest and a need for streamlining leave applications.[1] Workers have articulated their frustration with the difficulty of managing the various pieces of paperwork necessary to apply for certain leave benefits. For a worker facing an unexpected medical condition or other personal situation, this creates unnecessary burdens during an already stressful time.[2] Additionally, streamlining may also be a great help to independent agencies who have difficulty referring their workers to the appropriate leave options and applications.[3] The Interim Director of DCHR has conveyed to the Committee that the agency will begin to brainstorm streamlining moving forward, and the Committee recommends that DCHR develop concrete strategies to make streamlining a reality.[4]

3. Work with the Office of Risk Management to update the local environment (hazard) pay policy to reflect the continued impact of COVID-19

Local environment pay ("hazard pay") is additional compensation paid to employees due to environmental conditions at work that present safety challenges to the health and safety of employees. DCHR retains a list of positions authorized to collect hazard pay due to the inherent nature of the work (see District Personnel Manual Instruction No. 11.B-90, Premium Pay-Local Environment Pay, effective April 11, 2017) and collaborates with the Office of Risk Management and agency management to determine the merits of additional requests for hazard pay for employees in positions who have not been pre-approved.

Hazard pay determinations are simplest when the position of the employee is included on the list of positions approved for hazard pay in No B.90, but they require additional steps when awarded based upon provisions in a collective bargaining agreement (CBA) or upon request due to change in the safety of conditions of work. One such request

[1] . Testimony of E. Lindsey Maxwell II, Esq., Interim Director, DC Department of Human Resources before the Committee on Labor and Workforce Development hearing on "District Government Paid Leave Enhancement Amendment Act of 2022" and "District Family Bereavement Leave Amendment Act of 2021" Wednesday, March 2, 2022.

[2] Testimony of Emily Kahan, School-Based Clinician, Department of Behavioral Health before the Committee on Labor and Workforce Development hearing on "District Government Paid Leave Enhancement Amendment Act of 2022" and "District Family Bereavement Leave Amendment Act of 2021" Wednesday, March 2, 2022

[3] Testimony of Beth McBride, President, AFGE Local 383 before the Committee on Labor and Workforce Development hearing on "District Government Paid Leave Enhancement Amendment Act of 2022" and "District Family Bereavement Leave Amendment Act of 2021" Wednesday, March 2, 2022.

[4] Testimony of E. Lindsey Maxwell II, Esq., Interim Director, DC Department of Human Resources before the Committee on Labor and Workforce Development hearing on "District Government Paid Leave Enhancement Amendment Act of 2022" and "District Family Bereavement Leave Amendment Act of 2021" Wednesday, March 2, 2022.

was made by Department of Youth Rehabilitation Services (DYRS) employees in June 2020 by a bargaining unit (union) pursuant to a collective bargaining agreement (CBA). DCHR, the personnel authority for DYRS and therefore responsible for approving or denying the request, denied the request based on two factors: (1) the availability of PPE to mitigate the COVID risk and (2) the hazardous duties had been accounted for in the classification and compensation of the employees' positions. This denial was sent to arbitration according to the terms of the CBA. The arbitrator found that the DYRS employees were exposed to a hazard recognizable under the terms of the CBA and that the hazard could not be eliminated to a reasonable degree because despite the availability and use of PPE by the staff. As well, the arbitrator found that DCHR's denial was "arbitrary and capricious" and that DCHR had not verified the accuracy or completeness of the information received from DYRS upon which it based its denial of hazard pay.[5] After DCHR and DYRS appealed the ruling of the arbitrator to the Public Employee Relations Board, the Board upheld the ruling of arbitrator.

DCHR should update its hazard pay policy and internal processes to reflect the continued change in work conditions caused by COVID-19 and the findings of the arbitrator concerning DCHR's review of the hazard pay request. DCHR is also strongly encouraged to consider the applicability of the Public Employee Relations Board's ruling to other bargaining units who are parties to the same CBA[6] and prepare to apply the lessons learned for similar requests.

4. Update safety sensitive form to inform employees who fail drug tests of their right to appeal to OEA after DCHR

Positions classified as safety sensitive in District government require employees to refrain from otherwise permitted used of medical marijuana and other substances that may affect the performance of their duties. In FY22, a new law was implemented permitting employees in safety sensitive positions to appeal the designation of their position as safety sensitive under certain circumstances. So far, no employees have appealed to the Office of Employee Appeals and the director of that agency reported to the Committee that she suspects that the lack of appeals is due to lack of notice of the right to appeal to OEA.[7] The form currently being used by DCHR notes the right to appeal to DCHR, but not the right to subsequently appeal to OEA.

DCHR should change the form to include the employee's subsequent right to appeal to the Office of Employee Appeals. It is possible that employees may view the right to

[5] Public Employee Relations Board, *Department of Youth Rehabilitation Services and Department of Hunan Resources v. Fraternal Order of Police/District of Columbia Department of Youth Rehabilitation Services Labor Committee*, Case 21-A-09, at page 8

[6] The DYRS employees are one of many bargaining units included in the Comp 1 and 2 collective bargaining agreement; approximately ten thousand District employees are included in this agreement. variety of roles. Therefore, the Committee expects that the analysis of the arbitrator applies to thousands of employees if the conditions of work were to be similar to that of the conditions at DYRS.

[7] Testimony of Sheila Barfield, Committee on Labor and Workforce Development, Office of Employee Appeals Fiscal Year 2023 Budget Oversight hearing, April 1, 2022.

appeal to DCHR as final and unlikely to be effective due to perception that DCHR's judgment is an extension of that of their agency's management. If this is the reason for the lack of appeals, simultaneously informing the affected employees of a subsequent right to appeal to a neutral quasi-judicial authority is necessary if the employee is to make an informed decision about whether to appeal to DCHR.

5. *Work with the Administration to pay the disability insurance premium repayments owed to employees from District funds*

In 2018, the Council became aware of an error involving over-payments of disability insurance payments by some employees paid through DCHR's PeopleSoft system to a vendor called Standard. As a result, over 13,000 employees are owed more than $7 million that they overpaid. In the 2021 Budget Support Act, the Council passed legislation requiring that the affected employees be paid by the end of FY2022 which is less than six months away.

During oversight hearings, DCHR reported that it is still working with the company to form an agreement regarding the repayments, and that repayments may be delayed because it intends to use the money obtained from Standard. Because the error was the District's fault, repayment to employees must not rely on Standard's repayment of the District. Employees should not have to wait any longer. The District can and must repay the employees while that agreement is being worked on, which will also ensure compliance with the law. DCHR should work with the Mayor and the OCFO to pay the affected employees as soon as possible, and then reimburse itself through any agreement formed with Standard.

6. *Complete the study on the District residency of applicants and employees and submit reports to Council*

A new law included in the 2021 Budget Support Act requires DCHR to do a study of applicants and hiring related to residency. This will help us all learn what the barriers are and point to ways to increase our hiring of DC residents. The study consists of three components, each of which requires a report to be submitted to Council, in addition to a final report. DCHR has the study underway, but has yet to provide any of the component reports. It also still must hire a contractor to conduct one component, an employee survey and focus groups with agency hiring managers. DCHR should ensure it works to complete all components of the report by the deadline at the end of FY2022.

7. *Fully implement the Pathways to District Government Careers Act*

A priority of the Committee is ensuring that most District government employees live in the District. The Committee passed and funded the Pathways to District Government Careers Act ("Pathways Act," Law 22-211) in 2019, to increase the hiring of District residents into District government employment. It has three main parts: first, to require that graduates of DC high schools receive priority consideration for entry-level jobs (resident District graduates); second, the creation of apprenticeships in 5 occupations within 2 years;

and third, the creation of partnerships between DCHR and DC high schools to prepare students for future District employment. DCHR is responsible for implementing most provisions of this law. While implementation is underway, it has not been fully implemented. DCHR must achieve full implementation no later than the start of FY2022.

i. Entry level/Resident District graduates

The law requires that District graduates be given first and exclusive consideration for all entry level jobs in subordinate agencies; only if an agency is unable to fill a post with a qualified resident District graduate may agencies look to hire non-resident District graduates. As of the 2022 performance oversight hearing, DCHR had implemented the policy with several agencies, but data submitted indicated that other agencies have not implemented this policy.

In the coming year, DCHR should expand the program to many more agencies, if not all, and ensure that agencies are following the requirements. DCHR should also complete the other required elements: a report detailing hiring of resident District graduates at each agency, updating performance plans to incorporate targets for hiring resident District graduates, and conducting annual audits.

ii. Apprenticeships

Under the Pathways Act, DCHR in partnership with DOES must establish five apprenticeship programs, including one in information technology and one in healthcare. DCHR has received approval for four programs so far, in information technology (2 programs), medical billing, and human resources. Hiring is underway, with more planned as the pandemic ebbs; the Committee looks forward to seeing this come to fruition. DCHR and DOES are also required to submit annual reports and a three-year plan to the Council starting December 1, 2021, to the Council. The Committee continues to request submission of the reports.

iii. HS partnerships

The third component of the Pathways Act requires DCHR to establish partnerships with District high schools to help with recruitment. DCHR has conducted several meetings and events such as career fairs with DCPS and with individual high schools. The Committee would like to see more concrete outcomes, such as a formalized list of partner high schools, more internship opportunities for students, and direct pipelines to entry-level jobs for graduating seniors.

3. FY 2023-2028 CAPITAL BUDGET

DCHR has no capital budget for FY 2023-2028.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2023 Operating Budget Recommendations

Summary of Budget Changes for DCHR (BE0)						
Program	**Activity**	**CSG**	**Comments**	**Frequency**	**FY2022 recommendation**	**FY2023 recommendation**
2100 - GENERAL COUNSEL	2120 - LEGAL	0011 - REGULAR PAY - CONT FULL TIME	Regular employee to provide DC govt employees with medical leave.	Recurring		84,873
2100 - GENERAL COUNSEL	2120 - LEGAL	0014 - FRINGE BENEFITS - CURR PERSONNEL	Regular employee to provide DC govt employees with medical leave.	Recurring		18,163
2100 - GENERAL COUNSEL	2120 - LEGAL	0011 - REGULAR PAY - CONT FULL TIME	Regular employees to provide DC govt employees with medical leave.	Recurring		137,602
2100 - GENERAL COUNSEL	2120 - LEGAL	0014 - FRINGE BENEFITS - CURR PERSONNEL	Regular employees to provide DC govt employees with medical leave.	Recurring		24,447
2100 - GENERAL COUNSEL	2120 - LEGAL	0040 - OTHER SERVICES AND CHARGES	To provide DC govt employees with medical leave.	Recurring		103,880
4500 - POLICY AND COMPLIANCE	4520 - POLICY	0012 - REGULAR PAY - OTHER	Term employee to provide DC govt employees with medical leave.	Recurring		84,873
4500 - POLICY AND COMPLIANCE	4520 - POLICY	0014 - FRINGE BENEFITS - CURR PERSONNEL	Term employee to provide DC govt employees with medical leave.	Recurring		18,163

b. Policy Recommendations

1. Implement consistent employee education opportunities on different leave options available
2. Consider streamlining leave applications and develop strategies to implement

3. Work with the Office of Risk Management to update the local environment (hazard) pay policy to reflect the continued impact of COVID-19 to work environments
4. Update safety sensitive form to inform employees who fail drug tests of their right to appeal to OEA after DCHR
5. Work with the Administration to pay the disability insurance premium repayments owed to employees from District funds
6. Complete the study on the District residency of applicants and employees and submit reports to Council
7. Fully implement the Pathways to District Government Careers Act

C. DEPARTMENT OF EMPLOYMENT SERVICES (CF0)

1. AGENCY MISSION AND OVERVIEW

The Department of Employment Services ("DOES") has a mission to advance the welfare of job seekers and wage earners by improving their working conditions, by creating opportunities for employment, by helping employers find workers, and by tracking changes in employment and other national economic measurements impacting the District of Columbia.

DOES also provides tools for the District of Columbia workforce to become more competitive using tailored approaches to ensure that workers and employers are successfully paired.

The agency implements these objectives through seven divisions: 1) Agency Management, which provides administrative support and the required tools to achieve operational programmatic results; 2) Unemployment Insurance, which provides basic income replacement to workers who lose work through no fault of their own; 3) Labor Standards, which enforces wage and hour laws and oversees workers' compensation for the District's private sector workforce; 4) Workforce Development, which provides employment-related services for unemployed or underemployed residents so that they can achieve economic security and compete in the global economy; 5) State Initiatives, which includes two locally-funded signature programs that provide employment services such as training, subsidized work experiences, and supportive services to underserved adults who face multiple barriers to employment; 6) Office of Paid Family Leave, which will implement the Universal Paid Leave Act to provide wage replacement benefits to individuals in need of leave from work due to medical or caregiving needs of one's family or self; 7) Education and Workforce Innovation Bureau which provides for the development and oversight of DOES strategic priorities and key performance indicators, data management, training and professional development, employer services and youth programming; and 8) Agency Financial Operations, which provides accounting and budget services to, and on behalf of, District agencies.

2. FISCAL YEAR 2022 OPERATING BUDGET

Department of Employment Services					
1000 - AGENCY MANAGEMENT					
1010 - PERSONNEL	$905,551	$817,682	$0	$817,682	(9.70%)
1020 - CONTRACTING AND PROCUREMENT	$209,170	$91,755	$0	$91,755	(56.13%)
1030 - PROPERTY MANAGEMENT	$791,269	$657,196	($50,000)	$607,196	(23.26%)
1040 - INFORMATION TECHNOLOGY	$3,903,294	$3,598,930	($40,000)	$3,558,930	(8.82%)
1060 - LEGAL	$568,148	$446,618	$0	$446,618	(21.39%)
1070 - FLEET MANAGEMENT	$626,048	$636,413	$0	$636,413	1.66%
1080 - COMMUNICATIONS	$577,903	$456,167	$0	$456,167	(21.07%)
1088 - CUSTOMER EXPERIENCE	$491,036	$1,309,927	$0	$1,309,927	166.77%
1090 - PERFORMANCE MANAGEMENT	$3,482,865	$3,554,948	$0	$3,554,948	2.07%
TOTAL PROGRAM FUNDS	**$11,555,285**	**$11,569,636**	**($90,000)**	**$11,479,636**	**(0.65%)**
100F - AGENCY FINANCIAL OPERATIONS					
110F - BUDGET OPERATIONS	$2,162,337	$2,193,762	$0	$2,193,762	1.45%
120F - ACCOUNTING OPERATIONS	$1,745,708	$1,780,920	$0	$1,780,920	2.02%
TOTAL PROGRAM FUNDS	**$3,908,045**	**$3,974,683**	**$0**	**$3,974,683**	**1.71%**
2000 - UNEMPLOYMENT INSURANCE					
2100 - TAX COLLECTIONS	$8,077,433	$7,946,895	$0	$7,946,895	(1.62%)
2200 - BENEFITS	$17,100,332	$17,551,360	$0	$17,551,360	2.64%
2400 - BENEFIT PAYMENT CONTROL UNIT (BPC)	$1,440,167	$1,476,356	$0	$1,476,356	2.51%
2500 - COMPLIANCE AND INDEPENDENT MONITORING	$2,528,584	$2,593,554	$0	$2,593,554	2.57%
TOTAL PROGRAM FUNDS	**$29,146,517**	**$29,568,165**	**$0**	**$29,568,165**	**1.45%**
3000 - LABOR STANDARDS					
3200 - OFFICE OF WAGE HOUR	$3,723,876	$3,667,880	$0	$3,667,880	(1.50%)
3300 - OFFICE OF OCCUPATIONAL SAFETY AND HEALTH	$776,662	$790,559	$0	$790,559	1.79%
3400 - OFFICE OF WORKERS' COMPENSATION	$13,222,392	$14,126,940	$0	$14,126,940	6.84%
3500 - OAH: ADMINISTRATIVE HEARINGS DIVISION	$4,242,862	$4,218,221	$0	$4,218,221	(0.58%)
3600 - OAH: COMPENSATION REVIEW BOARD	$1,952,163	$1,915,167	$0	$1,915,167	(1.90%)
3700 - FIRST SOURCE	$1,877,029	$1,949,259	$0	$1,949,259	3.85%
TOTAL PROGRAM FUNDS	**$25,794,984**	**$26,668,026**	**$0**	**$26,668,026**	**3.38%**
4000 - WORKFORCE DEVELOPMENT					
4100 - SENIOR SERVICES	$844,798	$839,010	$0	$839,010	(0.69%)
4200 - PROGRAM PERFORMANCE MONITORING	$874,196	$901,897	$0	$901,897	3.17%
4250 - LOCAL ADULT TRAINING	$1,370,534	$1,337,778	$0	$1,337,778	(2.39%)
4260 - INFRASTRUCTURE ACADEMY	$9,191,299	$7,705,036	$4,100,000	$11,805,036	28.44%
4300 - OFFICE OF APPRENTICESHIP INFO. AND TRNG	$10,508,256	$1,968,177	$3,885,000	$5,853,177	(44.30%)
4530 - VETERAN AFFAIRS	$651,934	$687,744	$0	$687,744	5.49%
4600 - ONE-STOP OPERATIONS	$13,341,968	$13,287,387	$0	$13,287,387	(0.41%)
4810 - YEAR-ROUND YOUTH PROGRAM	$5,432,059	$3,498,925	$2,372,600	$5,871,525	8.09%
4820 - MARION BARRY SUMMER YOUTH EMPLOYMENT PGM	$22,841,851	$26,917,804	$1,000,000	$27,917,804	22.22%
4830 - MARION BARRY YOUTH LEADERSHIP INSTITUTE	$1,003,705	$1,007,221	$0	$1,007,221	0.35%
4840 - WIOA YOUTH PROGRAM	$5,890,360	$6,783,101	$0	$6,783,101	15.16%
4900 - STATE-WIDE ACTIVITIES	$7,449,777	$8,089,880	$0	$8,089,880	8.59%
TOTAL PROGRAM FUNDS	**$79,400,736**	**$73,023,958**	**$11,357,600**	**$84,381,558**	**6.27%**
5000 - STATE INITIATIVES					
5100 - TRANSITIONAL EMPLOYMENT	$40,069,817	$13,110,662	$27,106,000	$40,216,662	0.37%
5200 - DC CAREER CONNECTIONS	$3,242,823	$4,752,699	$0	$4,752,699	46.56%
TOTAL PROGRAM FUNDS	**$43,312,640**	**$17,863,362**	**$27,106,000**	**$44,969,362**	**3.83%**
6000 - PAID FAMILY LEAVE					
6100 - ADMINISTRATION	$14,045,898	$17,099,197	$0	$17,099,197	21.74%
6200 - BENEFITS	$4,866,312	$3,724,249	$0	$3,724,249	(23.47%)
6300 - TAX	$4,014,092	$4,440,484	$0	$4,440,484	10.62%
6400 - APPEALS & ADJUDICATION	$1,975,799	$2,048,626	$0	$2,048,626	3.69%
6500 - ENFORCEMENT	$2,299,500	$2,304,500	$0	$2,304,500	0.22%
6600 - COMPLIANCE	$548,952	$595,621	$0	$595,621	8.50%
TOTAL PROGRAM FUNDS	**$27,750,553**	**$30,212,677**	**$0**	**$30,212,677**	**8.87%**
7000 - EDUCATION AND WORKFORCE STRATEGY					
7100 - TRAINING AND EMPLOYEE DEVELOPMENT	$570,348	$517,305	$0	$517,305	(9.30%)
7200 - TALENT AND CLIENT SERVICES	$3,304,146	$2,202,980	$0	$2,202,980	(33.33%)
7300 - LABOR MARKET INFORMATION	$1,041,132	$1,044,813	$0	$1,044,813	0.35%
7400 - POVERTY COMMISSION	$667,248	$212,403	$150,000	$362,403	(45.69%)
TOTAL PROGRAM FUNDS	**$5,582,874**	**$3,977,500**	**$150,000**	**$4,127,500**	**(26.07%)**
DCRP - DISTRICT RECOVERY PLAN					
DRPF - DISTRICT RECOVERY PLAN	$0	$38,720,030	($38,720,031)	($1)	#DIV/0!
TOTAL PROGRAM FUNDS	**$0**	**$38,720,030**	**($38,720,031)**	**($1)**	**#DIV/0!**
TOTAL AGENCY FUNDS	**$226,451,633**	**$235,578,036**	**($196,431)**	**$235,381,605**	**3.94%**

Committee Analysis and Recommendations

a. American Rescue Plan Act Funds

The Mayor's FY2023 proposed budget dedicates $38.7 million of the American Recovery Plan Act (ARPA) funds to the Department of Employment Services (DOES) and an additional $24.4 million in FY2024. The FY2023 proposed budget does not divide ARPA investments by program; instead, ARPA funds are lumped into one category labeled "District Recovery Plan." This shift is extremely troubling to the Committee, and should be of concern to District residents, because of the lack of transparency in how funds will be allocated. It is impossible to know if the right investments are being made without a breakdown of where funds are going.

While DOES provided a verbal plan for activity-level budget requests for FY2023 when asked for a breakdown at the budget oversight hearing, a written plan was not submitted until the evening before public report circulation (the Table below notes the funding levels DOES indicated in the hearing as well as the Mayor's unofficial proposal in a chart shared with the Council budget office). The funds would be spread among several activities, including Project Empowerment ($28 million), Office of Apprenticeship Information and Training ($4 million), the Marion Barry Summer Youth Employment Program (MBSYEP) ($1 million), and the DC Infrastructure Academy ($4 million). These funds fall under the "Earn and Learn" category along with the Building Blocks initiative ($4.5 million) that is tied to Project Empowerment and Office of Neighborhood Safety and Engagement (ONSE) Pathways violence reduction program.

ARPA funds present a historic investment and potentially a once-in-a-generation opportunity, that if used wisely and strategically will elevate District residents and significantly improve their life trajectory. Analysis of the use of ARPA funds so far concerns the Committee; only a small fraction of ARPA funds have been spent in FY 2022 despite generous budgeting, and participation levels in programs targeted for ARPA funds remain stagnant. Again, so far, there is little indication that DOES has made significant moves to scale up operations, requiring more money and resources. The Committee is concerned about this and does not want to squander the opportunity we have to help District residents with this federal funding.

In FY2022, Project Empowerment's budget was five times the FY2021 budget, increasing from approximately $8 million to $40 million. The Mayor's initial proposed FY2023 budget is $41.1 million. Significant funding increases require aggressive and targeted recruitment and intentional approaches, yet from the Committee's vantage point it is business as usual at DOES. In FY2021 there were 873 Project Empowerment participants and in FY2022 so far, only 385 participants.[8] DOES is not close to serving the 2,000 District residents as planned. Even more concerning is that ARPA spending seems not to be prioritized; while $3.4 million in local funds have been spent by the agency, only

[8] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, attachment to Q132, pg. 362, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part6.pdf.

$7,000 in ARPA funds have been spent. ARPA investments present a unique opportunity to enhance Project Empowerment, one of DOES's most important programs, and the Committee lacks confidence that DOES has the capacity nor has done the planning to truly seize this opportunity.

In FY2022 the DC Infrastructure Academy (DCIA) also received a significant investment in ARPA funds. The FY2022 DCIA approved budget was $9.1 million including $5.5 million in ARPA funds. As of March 2022, $1.3 million in local funding was spent, and **none** of the ARPA funds. The Mayor's proposed DCIA FY2023 budget is $11.7 million including $4 million in ARPA funds. DOES's goal was to serve at least 493 participants[9] with the ARPA funds enhancement and so far in FY2022 only 144[10] have been served. Although the Committee understands that there was a delay in ARPA funds being cleared for use, the Committee lacks confidence that DOES has the capacity to spend the budgeted amounts, leaving District residents, desperate for training and jobs, without valuable opportunities to build their careers and increase their earning potential.

In the FY2022 budget report, the Committee expressed concern regarding most funds going toward short-term "Earn and Learn Activities" rather than investments being made in permanent employment and development of long-term career projects, including occupational credentialing in high-demand industries that need workers now. The Committee also expressed concerns with the ability of the agency to spend such large amounts of funding in such a short timeframe, including hiring dozens of new staff. DOES's FY2022 expenditures reflect significant underspending on ARPA funds and there are significant staff vacancies. In fact, as of March 2022, DOES has only spent $119,323 of the total $51.5 million ARPA funds budgeted in the Earn and Learn Programs (see Table below). This is a woefully low spending rate, and calls into question DOES' ability to utilize even a fraction of the ARPA funds it has already been budgeted as well as those proposed for future years.

In FY2022, approximately $9 million was reprogrammed from DOES's Earn and Learn programs partially to cover the cost of supplies and professional services and fees. Project Empowerment saw a $5.5 million reduction, DCIA a $1.3 million, and Apprenticeships a $2.2 million reduction. These reprograms confirm the Committee's concerns regarding DOES's lack of capacity and proper planning to fully spend budgeted amounts despite District residents' significant need.

This puts the Committee in a dilemma. The Committee shares the Mayor's goals with getting residents into jobs, but slowness in ARPA spending in FY2022 demonstrates a lack of urgency and focus. Despite concerns, in FY2022 the Committee largely retained the Mayor's proposed funding approach but for FY2023 the Committee is making budget

[9] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, Q133 pg. 92, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Perfrmance-Questions-Responses-only.pdf.

[10] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, attachment to Q132, pg. 362, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part6.pdf.

recommendations for investments that connect more District residents to occupational credentialing in high-demand industries that lead to long term career success.

DOES ARPA Funds Budget and Spending, FY2022-2023*

Project	Activity	FY2022 approved budget	FY2022 spending as of Mid-March 2022	FY2023 DOES spending request (EOM ARPA spend plan) *	FY2023 DOES LWD Recommended Budget
Earn and Learn	Total	**$51.4 million**	**$193,697**	**$33 million**	**$33 million**
	Project Empowerment	$30.9 million	$7,321	$24 million	$23 million
	Apprenticeship	$8.6 million	$74,374	$4 million	$4 million
	Summer Youth	$6.4 million	$112,002	$1 million	$1 million
	DCIA	$5.5 million	$0	$4 million	$5 million
East of the River grant		$2.1 million	unknown	$0	
Building Blocks		$3.8 million	unknown	$4.5 million	$4.5 million
Jobs First Pilot		$606,000	unknown	$0	$606,000
Agency Total		**$57.9 million**	**$193,697**	**$37.5 million**	**$38 million**

**Source*: Excel file sent by Executive to Council Budget Office, not an official part of the budget proposal

b. Budget Recommendations

1. ***Fund creation of an in-house commercial driver's license training program and additional CDL training that will serve as pipeline for WMATA and other infrastructure-oriented employers ($1 million)***

The Committee recommends funding of $1 million in ARPA funds to create a pilot Commercial Driver's License (CDL) training program within DOES to help meet the demand of employers in desperate need of workers with this credential. Some of this funding will be used to enhance current training providers as well. The Budget Suport Act subtitle for this funding is forthcoming. There is a significant demand for commercial drivers both for public sector employers such as WMATA as well as for the private sector. WMATA and other commercial driving positions pay competitive salaries and provide opportunities for career advancement.

In FY2022 the Committee recommended that DOES expand CDL training and noted employers, such as WMATA, that desperately need bus drivers. WMATA alone indicated that there were nearly 500 positions available to District residents annually with about 40 openings each month. WMATA offers signing and training completion bonuses, and competitive pay, as well as opportunities for overtime and generous benefits. WMATA also provides a 10-week paid training program for candidates who do not have their CDL, although a CDL permit with an air brake endorsement is required.

DOES's FY2022 performance oversight responses indicated that in FY2022, 21 people have participated in CDL training.[11] DOES indicated that they plan in FY2023 for 93 people to receive CDL training at DCIA.[12] The Committee understands that there is a lack of training providers, but CDL training at DOES needs to significantly increase to provide opportunities for more District residents to enter in-demand transportation careers. The Committee has worked with the agency, and the Committee's understanding is this allocation will allow DOES to create an in-house CDL program as well as expand training slots with current providers.

The Committee recommended that DOES create a CDL program preparing at least 200 District residents to enter WMATA's accelerated bus driver training program. This cohort-based program should include marketing and recruitment, participant screening and background checks, and the creation of CDL training cohorts. Once participants complete their training and obtain their CDL license participants will be eligible to enter WMATA's accelerated training program that last approximately 6 weeks. Those who successfully complete this training will be hired as bus drivers.

In addition to creating the WMATA pipeline program the Committee recommends that DOES allocate the maximum number of slots to existing training providers with capacity and prioritize finding additional providers. An existing training provider, Raymond Bell of Toni Thomas Associates, Inc., testified at the FY2023 budget hearing that he only has 40 DCIA CDL training slots despite requesting at least 100.[13] This is the time for DOES to take creative and strategic approaches to increasing the number of District residents receiving CDL training.

[11] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, attachment to Q132, pg. 362, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part6.pdf.
[12] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, Q133 pg. 92, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Perfrmance-Questions-Responses-only.pdf.
[13] Testimony of Raymond Bell, Owner of Toni Thomas Associates, Inc. and President of the HOPE Project, before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

2. ***Permanently expand the School Year Internship Program to 1,000 slots and in FY 2023, reserve slots for at-risk youth by funding BSA Subtitle ($2,372,000 recurring)***

The Committee recommends a Budget Support Act subtitle to expand the DOES School Year Internship Program by permanently increasing the number of participants from 350 to 1000. In FY 2023, this subtitle reserves at least 100 slots in the School Year Internship Program for youth who are receiving services from certain District agencies and their grantees and contractors. Please see further discussion in Chapter IV.B.2.

Fiscal Impact Statement of School Year Internship Program Amendment Act of 2022

		FY23	**FY24**	**FY25**	**FY26**	**Total**
Internship Expansion	Salaries	345,000	351,038	357,181	363,431	**1,416,650**
	Fringe	77,000	78,833	80,709	82,630	**319,172**
	NPS and IT	515,000	525,300	535,806	546,522	**2,122,628**
	Wages	1,101,600	1,123,632	1,146,105	1,169,027	**4,540,364**
At-Risk Youth Set-Aside	Salary	89,000	$0	$0	$0	**$89,000**
	Fringe	20,000	$0	$0	$0	**20,000**
	Grants	225,000	$0	$0	$0	**225,000**
	Total	**2,372,600**	**2,078,803**	**2,119,801**	**2,161,610**	**8,732,814**

3. ***Restore second-year funding to Jobs First Pilot Program to provide immediate job placement and retention assistance ($606,000 ARPA funds)***

The Committee recommends restoring funding removed from the Mayor's proposed FY2023 budget for the Jobs First Pilot Program, according to the ARPA budget request submitted to the Council budget office by the Executive. In FY2022 the Committee recommended a BSA subtitle establishing a Jobs First Pilot Program funded for $1.2 million over two years. In April, DOES issued grants to two organizations Friendship Place and Byte Back to run the program. These organizations will assist District residents with barriers to employment—such as a criminal record or experience of homelessness—with placement in a permanent job right away that pays at least $15 an hour. To continue expanding the breadth of job placement services in the District, the Committee recommends restoring funding for this program in the FY2023 budget.

4. Convert FY2024 ARPA funds to local funds via revenue replacement and fund FY2022 and FY2023 initiatives

The Committee echoes its FY2022 budget recommendation to shift forward proposed ARPA funds from FY2024 to the FY2023 budget to meet the current needs of District residents. The Committee's priority is to help residents still struggling to recover from the coronavirus pandemic and make investments in DOES youth programs to ensure that high school students are prepared for success in college and career. Additionally, the Committee supports eviction diversion, to help our residents remain in their homes, and expansion to paid leave for both private and public sector workers. ARPA funds have the potential to elevate District residents and improve the long-term earning potential for thousands.

The Committee recommends reallocating $14 million of FY2024 ARPA funds in FY 2023 as follows:

- $2.4 million to expand the School Year Employment Program to at least a 1000 participants and fund grants for employers who host and reserved slots for the most at-risk interns
- $3 million to fund eviction diversion activities at the Office of Victim Services and Justice Grants (see Chapter III for further discussion).
- $7.4 million to provide extended paid leave benefits in the Universal Paid Leave program for private sector employees in FY2022 Quarter 4. The Mayor swept the funds necessary to implement the expansion beginning in July 1, 2022, and delayed the expansion until October 1, 2022. The Committee recommends restoring funding to begin the expansion in July. See further discussion in the chapter on the Universal Paid Leave agency (Chapter II.J) and Budget Support Act (Chapter IV.A.2).
- A portion of $4.8 million to establish paid medical leave for District government employees, allowing up to 2 weeks of leave per year, and funding staff costs at DCHR. See related BSA subtitle in Chapter IV.B.1).

5. Restore funds to Poverty Commission ($150,000)

The Committee accepts a transfer from the Committee on Recreation, Libraries, and Youth Affairs to restore funds cut by the Mayor for the Poverty Commission. The Committee passed legislation establishing and fully funded the commission in the FY2022 budget. The law requires at least two staff. However, the Mayor's proposed budget cuts two of those staff. The Recreation Committee has provided $150,000 in funding.

6. Align program budgets with past and planned spending

In the FY 2023 budget, the Committee recommends right-sizing many DOES budget line items that were overbudgeted and/or underspent in previous years. These budget transitions will not impact the volume or capacity of DOES's training programs nor hinder the agency's ability to fully serve District residents; rather the breadth and quality of DOES's work will expand and improve. The Committee recommends the following budget transfers:

Agency Management (Program 1000)

- $40,000 CSG 40 from Information Technology (Activity 1040)
- $75,000 CSG 40 from the Office of Apprenticeship Information and Training (Activity 4300)
- $50,000 CSG 41 from Property Management (Activity 1030)

Workforce Development (Program 4000)

- $40,000 CSG 41 from Office of Apprenticeship Information and Training (Activity 4300)

7. Make necessary technical corrections to Office of Paid Family Leave budget To align with OCFO projections and funds swept by Mayor

The Committee recommends correcting the budget of the Office of Paid Family Leave, for which the proposed budget was nearly double the amount allowed under the statutory cap on administrative costs for the universal paid leave program. Under § 32–551.01(b)(2), only up to 10 percent of the Universal Paid Leave Fund may be utilized for administrative expenses, however, the OPFL proposed budget was approximately double the projected fund level for FY2023. The Committee recommends making technical corrections in this program to right-size the budget.

8. Fund Budget Support Act subtitle Universal Paid Leave Amendment Act of 2022 ($250,000 one-time)

The Committee is providing funds for expansion of the universal paid leave act program. While the implementation of the expansion will not occur until October, the Committee recommends legislation to allow for retroactive payments of the additional benefits. This change will necessitate $250,000 in administrative costs for the IT change order. See Chapter IV.A.2. for for further discussion.

c. Policy Recommendations

A. CROSS-AGENCY

1. Build on Language Access Improvements

The Department of Employment Services (DOES) must do more to eliminate barriers that exist for individuals who need to access the agency's services in a language other than English. In FY2020, the agency recorded 11,137 encounters in which a language other than English was utilized; however, if language access resources have not been deployed effectively, the agency is undercounting the need for accessibility. Speakers of languages other than English struggle to meaningfully connect with the offices of unemployment and paid family leave. At the February 17, 2022, performance oversight hearing, the Director said that the agency's 10/11 rating in the District's FY2020 assessment of language access and translation of 347 documents showed "persistence and continued growth" in this area. The Committee urges the agency to continue on this positive trajectory by incorporating feedback from the public and the Committee about areas where improvements are still needed, as detailed below.

Unemployment Insurance

DOES plans to launch a modernized online benefits information technology (IT) application system in Spring 2023 and retire, at long last, its 1970s-era platform. The agency is required by federal law to "pay [unemployment compensation] to eligible workers, regardless of background, in a timely and fair manner, with an application and certification process that is readily accessible to all workers." This means that the benefits site must be capable of being used by claimants whose primary language is other than English, both by asking application questions in the claimant's language and accepting responses in the claimant's language.

Alongside the updated benefits system, vital documents exchanged by DOES and claimants will have to be updated to conform with the new IT and related procedures. These documents include the Claimant's Rights and Responsibilities Handbook, weekly certification forms, and emails sent to claimants about their claims. According to testimony from legal service providers who assist low-income UI claimants, DOES routinely sends English language emails to claimants who have previously informed the agency of a different primary language. Whether automated, template, or individualized, all of the correspondence sent to claimants through the claims, audit, and appeals processes should be in their primary language. The Committee recommends programming the UI IT system and updating standard operating procedures, including the documents provide to claims examiners via DOES's "UI University" hub.

The agency should also simplify the unemployment website for all claimants by using simple imagery to help claimants navigate to their desired location regardless of their literacy or English proficiency. For example, the main DOES website uses various icons to depict the divisions within the agency. This approach should be used throughout the website, such as on the "Start Your Unemployment Compensation Process" website where primary language is not English. Additionally, the name of documents provided in non-English languages should be provided in that language, rather than in English (for example, instead of "Spanish" use "Español") These additional updates will go a long way to assisting those who have become unemployed through no fault of their own and simplifying the process for both agency and claimant.

Paid Family Leave

Paid family leave benefits are still harder to obtain for applicants whose primary language is other than English than it is for English speakers. According to First Shift Justice, a legal services organization that serves parents working low wage jobs, public-facing staff in the Office of Paid Family Leave are often unable to assist Spanish-speaker claimants who call to apply for benefits because telephone translation services are not used effectively. Currently, an applicant who speaks Spanish, Amharic, or another language must call the general paid leave phone number and indicate as best they can to the English-speaker who answers that they need to communicate in another language. Recent applicants have called DOES in order to talk with a Spanish-speaking representative, but the call is answered by an English speaker. In at least one case, a Spanish speaking caller was not connected to language line and instead DOES hung up on her. It's commendable that DOES has been able to recruit and employ Spanish-speaking staff, but all staff must be better trained about how to use language line seamlessly. This training should be a standard part of the agency's onboarding for new staff; additionally, the person serving as the agency's language access coordinator should be on call to assist staff when they need help accessing language line or using it effectively.

B. UNEMPLOYMENT INSURANCE

2. Implement Fair Debt Collection Practices

It is critical that unemployment insurance overpayments be pursued as close in time to the identification of the overpayment as possible so that a claimant who believes they are not at fault has the best opportunity to defend themselves that they can. There is no statute of limitations – or legal time limit—for the Department of Employment Services (DOES) to sue a claimant who received unemployment benefits they didn't qualify for.[14] Often the responsibility for repaying "overpayments" will fall to the claimant even if the individual's employer or DOES made the error. In many cases, this debt is collected by drawing down future unemployment benefits payments or retaining a tax refund the individual was eligible for. But in some cases, as many as ten years after receiving UI, an individual could be sued by the District and expected to defend themselves in court. In 2020, Legal Aid testified about a client being sued on a ten-year-old debt who attempted to obtain evidentiary documents from his former employer, but was unable to because the

[14] DC Code § 12-301 dictates the following time limitations on civil actions: three years for the recovery of damages for an injury to real or personal property or on a simple contract; one year for libel, slander, assault, battery, malicious prosecution, false arrest or false imprisonment.

business had closed years prior. Even in situations where the lawsuit persuades the claimant to settle, claimants may not be able to repay the full debt owed.[15]

Claimants should only be liable to repay their debt if the agency has the evidence to prove the claimant was at fault. According to a sample of 483 UI claims reviewed in FY2021 (see table below), more than $9 million out of $33.5 erroneously paid to claimants in FY2021 was not due to fraud or a claimant error alone. Instead, those funds were paid to workers when the agency or the employer was at fault, or a combination of worker, agency, and employer. These are all claimants with colorable arguments about why they were not at fault for the overpayment they received, and who would benefit from being able to contest the circumstances of the alleged overpayment. On numerous occasions over the past two years, constituents requesting Council help with their pandemic unemployment claim have informed the Council that they took a particular action on their claim because the agency itself told them to. The best chance of a court determining who is responsible for the debt is if the suit is brought as soon as possible after the overpayment is identified. District government should not prevail in these disputes if it cannot support its position fairly, and the best chance of a fair process is one that happens quickly.

Limiting the time frame when DOES can sue to recover a debt will ensure a fairer process for claimants confronted by an overpayment notice, allowing them to more readily access evidence to support their claim, as well as relieve the agency of time-consuming, prolonged litigation with little hope of recovering funds.

[15] For example, case 2019 SC3-003153 filed in DC Superior Court was settled with the claimant for 100% of the debt DOES alleged owed ($8,316.00, including over $1,000 in penalties) for monthly payments of $50.00, which would take nearly fourteen years to repay if no payments were missed or late. The resources to properly serve this claimant and make multiple court appearances could be better used elsewhere within the agency, particularly considering that this person appears to have missed at least one $50.00 payment since the settlement has been in place.

FY2021 UI Overpayment Audit

Estimated Overpayments by Responsibility[16] 2021 FY Data (10/1/20-9/20/21) –District of Columbia				
	Cause	**Percent of Dollars Paid**	**Percent of Dollars Overpaid**	**Estimated Amount**
	Claimant Only	8.721%	71.785%	$24,079,977
	Claimant + Employer	1.296%	10.667%	$3,578,061
	Agency Only	1.109%	9.127%	$3,061,737
	Claimant + Agency	0.550%	4.528%	$1,518,939
	Clmnt+Empl+Agy	0.333%	2.745%	$920,768
	Employer Only	0.140%	1.149%	$385,294
	Employer + Agency	0.000%	0.000%	$0
	All Others	0.000%	0.000%	$0
Total		12.150%	100.000%	$33,544,776
Amt. Paid				$276,099,778
Sample				483

3. Waive Non-Fraud Overpayments as Authorized by US DOL Guidance

DOES should take full advantage of debt forgiveness authority recently granted by the US Department of Labor to waive debts that resulted from non-fraudulent errors by claimants or the agency.[17] In issuing guidance to states about these waiver provisions, the US Department of Labor wrote:

> "There was a significant number of state errors and inaccuracies due to these fast-changing circumstances. A recent report from the U.S. Census Bureau estimates that these expanded unemployment benefits kept 4.7 million people from being in poverty during 2020, decreasing poverty across all racial groups and all age groups. Workers who received [unemployment compensation] under these temporary benefit programs and were later found ineligible, resulting in the establishment of non-fraud overpayments through no fault of their own, generally believed that they were entitled to the benefits and spent the money to support themselves, their families, and the economy. **Seeking recovery of these CARES Act overpayments from individuals who did not commit fraud, especially in light of the economic effects of the pandemic, creates an extraordinary hardship on working families, including those who have historically been underserved."** (emphasis added).

[16] US Department of Labor Education and Training Administration, *Unemployment Insurance Payment Accuracy Datasets*, available online: https://www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/data

[17] US Department of Labor Education & Training Administration, Unemployment Insurance Program Letter No. 20-21, Change 1, February 7, 2022, available online at: https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-21_Change_1.pdf

District law currently gives the Director of DOES full discretion[18] to waive repayment of erroneously-paid unemployment benefits where the payment was not fraudulent (i.e., intentionally false). This power has been used rarely; for example, in 2021 only two alleged overpayments were waived. In February, the US Department of Labor announced that it would allow states to waive all non-fraud overpayments of federal pandemic benefits resulting from any of seven common scenarios, six of which could apply to DC claimants who received Pandemic Emergency Unemployment Compensation (PEUC), Pandemic Unemployment Assistance (PUA), or Mixed Earners Unemployment Compensation (MEUC) benefits and the Federal Pandemic Unemployment Compensation (FPUC) supplemental payments the accompanied them.[19] DOES has informed the Committee that it would not take advantage of the liberalized policy, but would continue to seek repayment from any claimants who received UI benefits in error for any reason. The Committee urges DOES to accept and process waiver requests from claimants who fall into the categories below[20], which have been approved by US Department of Labor, and to issue refunds where a repayment was made.[21]

PEUC/PUA

- Individual answered "no" to being able to work and available for work and the state paid without adjudicating the eligibility issue.
- The individual was UI eligible, but through no fault of the individual, they were instead incorrectly paid under either program at a higher Weekly Benefit Amount (WBA).
- Individual answered "no" to being unemployed, partially unemployed, or unable or unavailable to work because of the approved COVID-19 related reasons and the state paid anyway.

PUA

- The state paid the individual a minimum PUA WBA based on Disaster Unemployment Assistance (DUA) guidance that was higher than the state's minimum PUA WBA.
- Through no fault of the individual, the state's instructions were either inadequate or the state incorrectly processed the PUA calculation using self-employment gross income instead of net income or documents for an inapplicable tax year.

MEUC

- The individual submitted proof of self-employment earnings eligibility but through no fault of the individual, the state's instructions were either inadequate or the state incorrectly processed this calculation, resulting in the individual incorrectly being determined eligible for MEUC.

[18] DC Code § 51-119 "(d)(1) Any person who has received any sum as benefits under this subchapter to which he is not entitled shall, in the discretion of the Director… may have such sum waived in the discretion of the Director; provided, however, that no such recoupment from future benefits shall be had if such sum is received by such person without fault on his part and such recoupment would defeat the purpose of this subchapter or would be against equity and good conscience; or in the discretion of the Director such recoupment has been waived."

[19] The fifth scenario applies to dependents' allowance payments which were not available in DC during the pandemic; however, DOL encourages states to bring additional potential waiver scenarios to its attention to be approved on an ad hoc basis.

[20] US Department of Labor Education & Training Administration, *Unemployment Insurance Program Letter No. 20-21, Change 1, Attachment 1*, available online at: https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-21_Change_1_Attachment_I.pdf

[21] Any funds recovered due to a CARES Act overpayment would have to be returned to the federal government.

Due to the length of the pandemic, an overpayment of CARES Act benefits is likely to total thousands of dollars. During the pandemic, DOES had reduced capacity to audit UI claims for payment errors[22] and took longer to identify these, and higher overpayments resulted than would have during the traditional 26-week period of UI (in DC, 26 weeks at the maximum benefit amount totals to $11,544).

The Department of Labor correctly observed that these debts can be devastating to families. In DC, one worker in his 30s lost his job and was close to a job offer when the pandemic shut-down hit DC. Since he was determined to be ineligible for UI, he applied for and received PUA and the weekly federal supplement based on income documentation he provided to DOES. A year later, DOES "redetermined" his claim since he was not actually "scheduled to commence employment," as the law required (as opposed to being close to starting a new job). Like many, he accepted and spent the funds entirely unaware of the distinction in the law that made him ineligible. DOES is now seeking repayment of more than $20,000, which could ruin him financially.

In another case, a Spanish-speaking worker with very limited computer skills entered her income information wrong on the weekly certification form. As a result, she is now being asked to repay owes more than $5,000 in UI, PEUC, and FPUC benefits to DOES. Her UI benefits were put to good use, securing basic necessities during the pandemic, but she cannot afford to pay back the overpayment.

Adopting a practice of waiving overpayments is also more efficient for DOES as it continues to review UI cases and identify overpayments. Rather than use up agency resources to issue notices or litigate the alleged overpayment, the agency can identify and dismiss overpayments at the same time, and then turn its attention to remaining outstanding claims. The Department of Labor provides ample assistance with the guidance permitting waivers, including template website guidance and sample letters to be sent to claimants. DOES should take full advantage of these.

C. WORKFORCE DEVELOPMENT

4. Improve the School Year Internship Program by providing benchmarks, program guide, and online portal

The Committee heard testimony from the DOES School Year Internship Program hosts and interns about the importance and value of the program, but witnesses also shared critical changes that need to be made to improve quality and effectiveness. The Committee implores DOES to act immediately to address these concerns before the program starts in the fall. First, DOES should create a set of School Year Internship Program goals and objectives that will drive the program and allow for improved intern evaluation and include

[22] In order to address the influx of unemployment application, staff who usually perform auditing functions in the Benefits Payment Control Unit (BPCU) were temporarily transferred to the Benefits Division.

this information in a program guide for hosts and interns. Second, DOES should create an online portal that will be used for applications, matching, and time entry.

a. Create a set of School Year Internship Program goals and objectives

The School Year Internship Program Amendment Act of 2022 included a provision that "DOES shall develop benchmarks for interns' growth and development in work readiness, which internship hosts shall utilize to assess an intern's work readiness." It is essential that internships are preparing youth for college and career; therefore, it is important that the program has a set of measurable goals that hosts, and youth are working toward, and that DOES uses to evaluate intern progress. These also inform hosts on the skills, knowledge, and attitudes they should focus on improving. These benchmarks have not been shared with the Committee, and youth and host employers testified at this year's performance and budget hearings that they were not provided this information. Youth and hosts also testified about the lack of written material on the program and the confusion that it causes.

The Committee urges DOES to develop a School Year Internship Program guide, for both hosts and interns, that includes program policies and most importantly, program goals and objectives. The Committee recommends that DOES collaborate with host employers, youth development professionals, and youth to develop these program goals and objectives. While some hosts are accustomed to working with youth interns, many require support in guiding and developing their interns.

b. Post online and share with host employers and interns a written guide with program goals, objectives, and policies

The Committee recommends that DOES create a written guide, shared widely and placed on the DOES website, that includes program goals, objectives, and policies. Currently, DOES does not provide any written materials to youth interns or host employers on the School Year Internship program. During this year's performance and budget hearings, witnesses shared the confusion caused by the lack of written material and clearly communicated policies.

Host employers shared the administrative burden caused by the lack of information regarding program expectations, maximum number of interns, and general program and payroll policies. Nadia Gold-Moritz, Executive Director of the Young Women's Project, testified at the FY2023 budget hearing:

> [T]he current program infrastructure is poorly designed---which has led to frustration and hardship amount a number of youth interns---and hours of additional unnecessary administrative work for employers. The current program design puts youth interns, employers, and US Bank in separate silos. Employers collect and enter youth time into paper timesheets that are sent to DOES. DOES enters the time into a system that is then sent to US Bank—who issues and delivers bank cards to youth interns. [Host] employers never know if youth were paid, when they were

> paid, or how much they were paid…Payroll should be the easiest part of this program. Figuring out ways to keep youth engaged, growing, healthy, safe, and meeting their work responsibilities in a post-Covid world is a much larger challenge.[23]

c. Create an online portal

Finally, the Committee heard from witnesses how the lack of an online portal has led to frustration and hardship among both hosts and interns. The Committee recommends that DOES create an online portal for both interns and hosts. The portal should work to match host employers with youth interns based on certain criteria, as currently the youth application only allows interns to select industries, they are interested in. They are not able to view the list of host employers. Users could use this portal to submit their application, register, certify, enter time and track time, view payment, and download paystubs.

Laurice Djepeno, senior at Benjamin Banneker Academic High School, testified at the FY2023 budget hearing:

> DOES should create a portal where host employers can search for youth based on youth interests, school, grade, or geography. Similarly, interns should also be able to view employers, research, and rank their top 3 choices.[24]

Belinda Alcoser, Jackson-Reed High School (formerly Wilson High School) student, shared the negative effects of the program's poor administrative processes and lack of online portal:

> [L]ate payment result[ed] in me feeling like my work was being underappreciated. Some of my peers have felt very unmotivated to keep working because we are not getting paid yet or our full hours aren't being processed by DOES. There should be an easier process of being paid or better methods [of] distribution…Having an online portal to input hours and see all payments would make both DOES and employer operations more efficient and accurate.[25]

Please see the related Budget Support Act subtitle recommendation (Chapter IV.B.2) and budget recommendation in this Chapter for further discussion of the School Year Internship Program.

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[23] Testimony of Nadia Gold-Moritz, Executive Director, the Young Women's Project before the Committee on Labor and Workforce Development, Council of the District of Columbia Budget Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

[24] Testimony of Laurice Djepeno, Youth Leader, the Young Women's Project before the Committee on Labor and Workforce Development, Council of the District of Columbia Budget Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

[25] Testimony of Belinda Alcoser, Youth Leader, the Young Women's Project before the Committee on Labor and Workforce Development, Council of the District of Columbia Budget Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

5. ***Provide additional support and targeted programming for LGBTQ+ youth and youth experiencing homelessness***

The Committee heard from witnesses at this year's performance and budget hearings about the barriers faced by youth experiencing homelessness and LBGTQ+ youth when enrolling in and completing DOES programs. These include obstacles related to lack of clothing, transportation, career coaches, and even mental health support. These obstacles negatively impact program completion, credential attainment, and participants' ability to find a job.

The Committee recommends that DOES review and adjust their programs, both youth and adult, to ensure that they are responsive to and supportive of LGBTQ+ participants and those who are experiencing homelessness. LGBTQ+ youth, especially transgender youth, face unique barriers and discrimination. A 2015 survey by the National Center for Transgender Equality found that one-fourth of DC residents who are transgender and applied for or held a job in the prior year reported being fired, denied a promotion, or not being hired after they applied because of their gender identity or expression during the prior year.[26] June Crenshaw, the Wanda Alston Foundation Executive Director and member of the DC LGBTQ+ Budget Coalition, testified on the gaps within our youth employment programs for LGBTQ+ youth. She spoke on how youth have asked for job training programs that lead to viable jobs that allow them to be self-sustaining, but many find that due to age limits or requirements that participants be connected to certain agencies, they do not qualify for services. Many are also skeptical of programs due to discrimination, lack of staff cultural competency, and past negative experiences, especially for transgender, gender non-conforming, and queer youth.[27]

The Committee recommends that DOES create a workforce development program that meets the unique needs of youth experiencing homelessness because many of the DOES's programs and services designed for adults are not a good fit for youth. Rachel White, Senior Youth Policy Analyst with DC Action, testified:

> One way to obstruct the youth to adult homelessness trajectory is by providing youth in the District a pathway to economic freedom in the form of workforce development opportunities and programs that meet their unique needs, access to higher education and trade programs, and access to employment that results in earning a livable wage. While we advocate for job opportunities, we must

[26] Testimony of Rachel White, Senior Youth Policy Analyst, DC Action before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment Services March 14, 2022.
[27] Testimony of June Crenshaw, Executive Director, the Wanda Alston Foundation before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment Services March 14, 2022.

acknowledge that youth experiencing homelessness often face unique challenges as they try to secure employment.[28]

Two members of the Youth Economic Justice and Housing Coalition, Rachel White and June Crenshaw, testified at this year's DOES performance and budget hearings on the need for targeted support for youth experiencing homelessness. This coalition, co-chaired by DC Action, the Wanda Alston Foundation, and the Homeless Children's Playtime Project, works to prevent and eradicate youth homelessness and improve the outcomes and experiences of youth and families experiencing homelessness in the District. Coalition members asked the Council to provide a pathway to economic freedom and mental stability in the form of targeted workforce development programming that enables youth to gain independence and reduce the likelihood of future homelessness. They shared a program model that includes GED instruction, skills development in areas informed by youth, connection with mental health counselors, and case management services to assist with childcare, housing, and other challenges. The Committee urges DOES to collaborate with community stakeholders, and agencies such as the Department of Human Services and the Department of Behavioral Health in the development of targeted programing.[29]

6. ***Ensure expedited soft-skills training and job placement are prioritized with the Jobs First Pilot Program***

In FY2022 the Committee recommended two years of funding for the Jobs First DC Pilot Program. This program expanded District job placement services by helping District residents with barriers to employment---such as a criminal record or experience of homelessness---with placement in a permanent job right away that pays at least $15 an hour. In April 2022 DOES awarded Jobs First grants totaling $500,000 to two District nonprofits.

The Jobs First model is strengths based and focuses on expedited soft-skills training and job placement within 90 days. The focus is on the outcome of job placement and not training. Jean-Michel Giraud, President and CEO of Friendship Place:

> Jobs First is effective because it provides expedited as-needed coaching, gets people into jobs quickly, and uses that momentum to build on an individual's skills, only filling in support where necessary, rather than viewing individuals as lacking in additional training. Our model assumes employability. It is strengths-based where more traditional models seem to assume skills deficits…We believe that this mode, well-

[28] Testimony of Rachel White, Senior Youth Policy Analyst, DC Action before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment Services March 14, 2022.
[29] Rachel White, Senior Youth Policy Analyst, DC Action and June Crenshaw, the Wanda Alston Foundation, testified before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment services March 14, 2022.

> executed through a flexible pilot program would make a timely and helpful contribution to people seeking employment in DC and to the city's recovery post-COVID.[30]

The Committee recommends that DOES work with their two Jobs First grantees to ensure that they expedite soft-skills training and rapid job placement for participants. The Committee is concerned that the Jobs First Pilot Program Request for Applications (RFA) released January 19, 2022, failed to communicate the essential aspects of the Jobs First model—the expedited soft-skills training and placement in an unsubsidized position paying at least $15 an hour, ideally within the first 90 days of enrollment. The first item listed in the RFA general requirements is that the "Grantee shall recruit and enroll 150 residents in workforce training."[31] This same language was used in the Deliverables/Outcomes section.[32] It is critical that grantees use a strengths-based approach, provide training and support only when needed, and work hard to move participants into unsubsidized employment—grantees should not focus on enrolling participants in training and connecting them to services until job placement has been accomplished. Post-placement support is critical, but the Jobs First model is effective because it boosts participants' confidence by moving them quickly into a job.

7. ***Increase the number of District residents trained through the DC Infrastructure Academy by increasing slots for training providers with the capacity to train more participants***

The DCIA resembles a traditional workforce model of training individuals for careers that are in demand, and the Committee applauds DOES's engagement with employers. The Committee was encouraged by the FY2021 completion and credential rates for many of the DCIA programs including the Pepco Line Worker Program, and Quick Path to Energy program.[33]

The Committee recommends that DOES use the additional ARPA fund investments to maximize participant slots for training providers that have the capacity to train more participants. The Committee heard from DCIA training providers at the FY2023 budget oversight hearing that they have capacity to train more participants than the slots they have

[30] Testimony of Jean-Michel Giraud, President and CEO, Friendship Place before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment Services February 14, 2022.

[31] DC Department of Employment Services Division of State Initiatives, Jobs First Pilot Program Request for Applications, RFA No.: DOES-JFDC-2022 released on January 19, 2022, pg. 5, available at https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2022%20RFA-%20JOBS%20First%20Pilot.pdf.

[32] DC Department of Employment Services Division of State Initiatives, Jobs First Pilot Program Request for Applications, RFA No.: DOES-JFDC-2022 released on January 19, 2022, pg. 8, available at https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/2022%20RFA-%20JOBS%20First%20Pilot.pdf.

[33] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, attachment to Q132, pg. 362, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part6.pdf.

been allocated.[34] Although the Committee understands that contracting and other administrative issues complicate increasing the number of slots a training provider might have, the Committee strongly recommends that DOES fervently work to address administrative issues to increase slots, as well as identify additional training providers.

The Committee is concerned that DCIA is not working at full potential and is therefore missing valuable opportunities to train a significant number District residents in high-demand fields that lead to thriving careers. Even with the additional ARPA funds DOES plans to serve only 416 people in FY2023.

The DCIA will expand operations significantly over the next two years with the opening of the Spingarn and Reunion Square locations. The Spingarn location will provide the Quick Path to Construction, Energy, Safety, and Transportation. The Reunion Square location will provide Information Technology and Hospitality training. The Committee is excited to see DCIA expand and fully realize its potential. The Committee recommends that DCIA focus on increasing the number of training providers, increasing the number of training provider slots, and expanding employer custom-designed training fully utilizing industry advisory board, especially in IT, transportation, and green industries. It is important that DOES continue to build relationships with training providers, and employers as they plan for DCIA's expansion.

8. *Expand geographical focus of job training programs serving at-risk and vulnerable residents*

Job training programs such as Project Empowerment, DC Career Connections, Pathways, and more should expand their recruitment geographically engage justice-involved, at-risk, and vulnerable hard-to-employ residents in more Wards and police service areas (PSAs) in the city. Crime and violence are on the rise citywide requiring more and more intensive services in more neighborhoods across the city. Someone's need for career opportunity interventions shouldn't be limited because they live in the wrong PSA to receive special attention or because the program is only serving one Ward. This model has left neighborhoods in Ward 4 and 1, and many parts of other Wards, without sustained career development outreach and resources and more attention in FY23 should be given to these often-overlooked areas to connect residents to the best job training service for their needs. Further, recent data revealed that the majority of violent crime is driven by a small number of known individuals – using this data we should tailor our employment services to focus on those people, and those in their immediate circles, who most at-risk of committing or becoming a victim of crime. This outreach engagement should be done proactively by the agency, and we should not wait on residents to elect to become enrolled in city services they may not yet know exist to support them.

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[34] Testimony of Raymond Bell, Owner of Toni Thomas Associates, Inc. and President of the HOPE Project, before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

D. PAID LEAVE

9. *Actively address the racial and class inequities in claim denial rates by engaging the public in outreach, education, and trainings with a focus on areas of the city with high poverty rates*

The racial and class inequities demonstrated in the claim denial rates are of great concern to the Committee. DOES has reported that applicants from Wards 2 and 3 had the lowest rate of denials compared to other Wards throughout the District.[35] It is important to note that Wards 2 and 3 have been two of the most affluent Wards over the past decade, and both are majority White.. In comparison, Ward 8 had the highest rate of denials at 15.54 percent[36] which is even more troubling considering the Ward has both the highest rates of poverty[37] and highest density of Black residents.[38] Additionally, 61%of denied claims are from Black claimants when they're 38% of all claims.[39]

The Committee is troubled by these findings, and strongly encourages DOES to continue engaging in a targeted outreach campaign to areas in the District that suffer from the highest denial rates. Not only would this include educating residents that the program exists, it would most importantly include training on how to successfully navigate the program. In addition, DOES should acknowledge the systemic inequities and biases that exist in medicine. The Committee encourages DOES to collect, analyze, and report on data to determine why claimants from high-poverty Wards disproportionately have their claims denied.

10. Study implementation of an electronic portal for medical documentation

Based on information provided by DOES, the Committee has learned that one of the most common reasons for denial is the lack of required medical documentation.[40]

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[35] Department of Employment Services, Responses to Fiscal Year 2021-2022 Performance Oversight Questions, Supplemental Attachment Q93: Universal Paid Family Leave Data from Inception (July 2020) through Jan. 1, 2022. January 28, 2022, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part5.pdf

[36] DOES 2021-2022 Performance Oversight Questions, Supplemental Attachment Q93: Universal Paid Family Leave Data from Inception (July 2020) through Jan. 1, 2022. January 28, 2022, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part5.pdf

[37] DC Economic Strategy, "Prepared Residents: Household Income by Race and Ward," available at https://dceconomicstrategy.com/household-income/

[38] DC Health Matters, "2022 Demographics," available at https://www.dchealthmatters.org/?module=demographicdata&controller=index&action=index&id=131490&sectionId=

[39] DOES 2021-2022 Performance Oversight Questions, Supplemental Attachment Q93: Universal Paid Family Leave Data from Inception (July 2020) through Jan. 1, 2022. January 28, 2022, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part5.pdf

[40] Department of Employment Services, Responses to Fiscal Year 2021-2022 Performance Oversight Questions, Question 90, Table C, January 28, 2022.

Implementing an electronic portal could potentially simplify the process for applicants, leading to lower denial rates. Additionally, a witness testified that medical providers would prefer an electronic portal as it is believed to decrease the potential for delays when submitting medical paperwork.[41] Streamlining would reduce the burden of printing and traveling to a doctor's office to have forms filled out, easing the burden on already-vulnerable residents who are dealing with, or caring for someone with a medical condition. The Committee recommends that DOES review if an electronic portal would be useful in addressing the disparities in claim denial rates.

If it becomes the opinion of DOES that the electronic portal would be helpful, this Committee encourages DOES to consider the digital divide that can potentially be exacerbated if applicants are required to submit anything electronically, and make the appropriate adjustments to mitigate the effects of such divide. While only 13% of District residents do not subscribe to internet services, that percentage is three times higher in wards with higher poverty rates. In fact, it has been reported that nearly a third of District residents in Wards 7 & 8 lack an internet subscription.[42] DOES should provide instructions to claimants who may not be technically proficient to help them ask their doctor for the correct information and how to submit it.

11. Develop a comprehensive public education campaign regarding the Paid Family Leave program expansion

The Committee on Labor and Workforce Development is ecstatic about what the expansion of the Paid Family Leave program will mean for the District's workers and their families. In an announcement by the District's Chief Financial Officer, "eligible workers will be provided with 12 weeks of paid parental, family and medical leave — with a cap of 12 weeks in a year."[43] This represents an increase from the current benefit of a maximum eight weeks of parental leave, six weeks of family leave, and six weeks of personal medical leave. The expansion also includes a guaranteed two weeks of prenatal leave for private-sector workers.[44] While the committee looks forward to this expansion, it's critical that there will be adequate public education on the available benefits for eligible employees.

The Committee strongly recommends that DOES implement a robust public education campaign to ensure that eligible workers both know about the expansion of benefits and can receive such benefits in an efficient manner. Advocates that have testified before this committee have stressed the need for DOES to implement public education campaigns that would ensure the public is knowledgeable about the benefits they are

[41] Testimony of Hilary Klein, Senior Director of Organizing, Jews United for Justice before the Committee on Labor and Workforce Development, Council of the District of Columbia Public Oversight Hearing regarding the Department of Employment Services, February 14, 2022 & February 17, 2022.

[42] Will Schick, "DC Faces Challenges in Trying to Overcome Digital Divide, Expand Internet Access," The DC Line, November 4, 2021, available at https://thedcline.org/2021/11/04/dc-faces-challenges-in-trying-to-overcome-digital-divide-expand-internet-access/

[43] Michael Brice-Saddler, "D.C. Will Offer Private-Sector Workers Maximum Paid-Leave Benefits, CFO Says", The Washington Post, March 2, 2022, available at https://www.washingtonpost.com/dc-md-va/2022/03/02/dc-public-paid-leave/

[44] Ibid

eligible for.[45] Additionally, workers should also know how to access such benefits. It is equally important that employers know their rights as well, in addition to being educated on their responsibilities to workers.[46] DOES is planning several elements already, such as ad campaigns, in-person events, attendance at street fairs, and education of medical professionals.

Finally, this Committee was made aware of the difficulty that some Spanish-speaking claimants are subjected to when attempting to be connected with staff who also speak Spanish.[47] In order for this expansion of benefits to reach as many District workers as possible, this reality needs to change as language seems to be an unnecessary barrier to service.

DOES should generate an operational plan detailing how they will go about educating the public in the most effective way possible. The plan should indicate ways DOES will combat language barrier issues and the digital divide in their attempts to educate workers and employers. Furthermore, DOES should also develop a plan for the support it needs to ensure the eventual expansion of benefits will be effective and reach the most workers as possible. As mentioned by a hearing witness, an example of what could be in such a report is the amount of additional Spanish-speaking staff needed to aid Spanish-speaking claimants (if DOES in fact needs more staff).[48]

12. ***Strengthen customer service efforts when engaging with claimants via the telephone and make portal more user-friendly***

a. Allow claimants who call the Office of Paid Family Leave to formally file a claim over the phone.

The Committee on Labor and Workforce Development strongly encourages DOES' Office of Paid Family Leave to continue allowing applicants to apply for benefits by phone. Claimants being able to apply for benefits by phone can potentially enable the District to overcome barriers posed by the digital divide, expanding access to residents without internet access or comfort with technology. Claimants do avail themselves of the option to apply over the telephone: in the first 6 months of the program, 365 claimants filed by phone, or 6% of claimants as of the end of 2021.

However, the Committee has become aware of a troubling customer service issue. A witness who testified before this committee relayed their knowledge of claimants

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[45] Testimony of Hilary Klein and Melinda Fiedler, Committee on Labor and Workforce Development hearing on Department of Employment Services Budget Oversight (Public Witnesses), Tuesday, March 22, 2022.
[46] Testimony of Melinda Fiedler, Organizer, DC Jobs with Justice before the Committee on Labor and Workforce Development hearing on Department of Employment Services Budget Oversight (Public Witnesses), Tuesday, March 22, 2022.
[47] Testimony of Laura Brown, Executive Director, First Shift Justice Project before the Committee on Labor and Workforce Development hearing on Department of Employment Services Budget Oversight (Public Witnesses), Tuesday, March 22, 2022.
[48] Ibid

attempting to file by phone but sometimes being prevented from applying, and thus informally denied benefits. They recounted one specific example of a claimant being incorrectly denied benefits over the phone, and because the claimant was prevented from formally applying at the moment, they had no way to appeal that informal denial. Additionally, an employer contacted the Committee to relate that her employee attempted to file on the portal, but was unable. While the employee received a call from OPFL at the request of this Committee, a claim was not completed; it is unclear why, but the employee had need for the leave benefits and should have been able to complete an application. In order to prevent such situations from occurring, DOES should give claimants to complete a formal claim over the phone regardless of predicted determination.

b. Provide claimants with a written approval or denial of benefits

As mentioned above, claimants who attempt to file over the phone currently have no right to request reconsideration or an appeal if the staff person taking the call refuses to allow the claimant to apply. Therefore, not only is it important that claimants be able to apply over the phone, they should also be provided with a written approval or denial of benefits. In the case of a denial, such a written document could be used for any appeals or requests for reconsideration. According to information provided by DOES, about 60% (328/549) of denied applications were reversed in the claimant's favor through the internal reconsideration process and approximately 40% (10/25) of claims were reversed in the claimant's favor through a hearing with the Office of Administrative Hearings. With this information in mind, one can only imagine the number of claimants that could have potentially benefitted from the appeal process had they been allowed to formally apply over the phone, and been provided with a written determination. The Committee strongly recommends that DOES provide every claimant with a written approval or denial of benefits to ensure communication is clear for all parties involved, and to ensure that applicants have the materials necessary if an appeal or reconsideration is necessary.

c. Make the claims-filing portal more user-friendly

As mentioned, an employer contacted the Committee in her attempt to file for and secure paid leave benefits for her employee, a domestic worker. The employer sat with the employee to try to file a complaint online. The employer reported that the site was extremely difficult to use, hard to navigate, and "asks a lot" of people without English proficiency or significant education. Filing the claim was "tedious," requiring them to refer back forth to another document. When they seemed to be at the last step, they could not get it work due to system errors.

The Committee strongly recommends that OPFL conduct user testing with real workers, their representatives, and others who may assist workers to file claims. While DOES has reported that they always conduct user testing for new IT systems, the OPFL claims system launched during the pandemic. It is the Committee's understand that user testing with workers was not conducted before the launch. But even if it was, given feedback from the public, the Committee recommends that OPFL conduct (more) user testing to improve the system and make it user-friendly for all workers.

E. LABOR STANDARDS: Office of Wage-Hour (OWH)

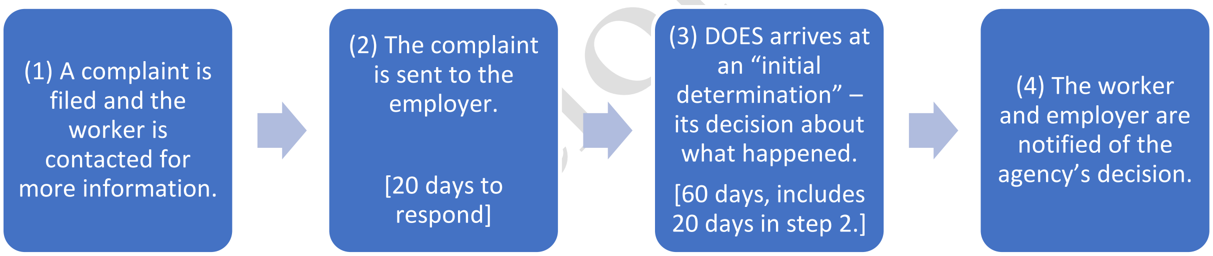
13. To Effectively Help Workers, DOES Must Analyze Data & Set Goals

The Office of Wage Hour enforcement (OWH) can do more to fulfill its obligation to ensure that workers who experience violations of local worker protection laws have those corrected in a timely manner. The Committee recommends that DOES devise a data-driven plan for routinely collecting and analyzing investigation information based on complaints and agency-initiated investigations, as well as information from calls, emails and other sources, in order to help the division's 32 full-time staffers more efficiently help District workers. Armed with this information, DOES can establish meaningful goals for improving its processes in FY2023 and beyond.

Opportunities for Improvement

Most complaints filed with OWH under District minimum wage, sick leave, and related laws are not resolved within a year.[49] A review of complaints reaching a final resolution in fiscal years 2019, 2020, and 2021 shows two critical bottlenecks in need of scrutiny.

OWH Administrative Process[50]



Bottleneck 1: Complaint Validations

As illustrated above, workers complaints proceed at the Office of Wage Hour Enforcement through four main steps. After a complaint is filed (step 1), the agency will review the submission to ensure it complies with the law. The majority of complaints filed with DOES are held by the agency while it attempts to obtain additional information ("validate") from the claimant. Unfortunately, more than 25% of claims usually cannot move forward due to the complainant's failure to provide information or records (see table below).[51] This standard is not in the law; DC law only requires a person to provide minimal

[49] The data relied on in this section is taken from 2022, 2021, and 2020 Responses to Fiscal Year Performance Oversight Questions from the Department of Employment Services (DOES), which can be found here: https://dccouncil.us/performance-oversight-2022/.
[50] As an alternative to the agency adjudicating the dispute, parties can opt to participate in voluntary mediation ("conciliation") to settle their dispute, which can result in the employer paying the worker money they agree was owed in exchange for the employee withdrawing or cancelling their complaint.
[51] This data was not requested from DOES in 2021, but the Committee is not aware of a change in policy or procedures that would have changed this.

information before it can notify the employer of the complaint.[52] For example, a worker might file a complaint stating that their employer did not pay for sick leave. DOES would supplement the worker's account of what occurred (which itself is evidence) with documentation such as payroll records, policy manuals, text messages, or time sheets. Unfortunately, DOES will close the complaint if the complainant does not provide the information requested.

Table 1 – Complaints requiring additional information

	Complaints filed	**Complaints requiring additional information from complainant**	**Complaints not supplemented by complainants (cannot move forward)**
FY19	641	365	172
% out of total complaints filed		*57%*	*27%*
FY20	456	288	151
% out of total complaints filed		*63%*	*33%*

A database that allowed DOES to sort cases by filing date, claim type, and status could reveal what legal claims workers are most and least likely to be able to support with documentation. With this information, OWH could work with claimants earlier in the process to obtain alternative documents or request those records from employers, since employers are already legally required to maintain and produce those records on request.[53]

Bottleneck 2: Adjudicating & Finalizing Cases

Only one third (or less) of complaints filed in FY19, FY20, and FY21 were resolved in the year they were filed, even with proportionally smaller numbers of claims in more recent years and in light of the number of cases that actually proceed beyond the validation stage. After validation, OWH will notify the worker's employer about the complaint and ask for a response within 20 days (step 2).[54] The employer can admit or deny the

[52] DC Code §32-1308.01(b)(1) requires the complaint to provide facts about an alleged violation "with sufficient specificity to determine both that an allegation of non-payment of earned wages has been made," to be sworn, and to include "(A) The complainant's name, address, and telephone number (or alternate address or telephone number if the complainant desires); (B) Sufficient information to enable the Mayor to identify the employer through District records, such as the employer's name, business address, license plate number, or telephone number; and (C) An explanation of the alleged violations, which may include the approximate or actual dates the violations occurred, the estimated total dollar amount of unpaid wages, and an explanation of how the total estimated amount of unpaid wages was calculated.

[53] DC Code §32-1306 (d)(1): "Every employer subject to any provision of this chapter or of any regulation or order issued pursuant to this chapter shall make, keep, and preserve, for a period of not less than 3 years… a record of: (A) The name, address, and occupation of each employee; (B) A record of the date of birth of an employee under 19 years of age; (C) The rate of pay and the amount paid each pay period to each employee; (D) The precise time worked each day and each workweek by each employee, except for employees who are not paid on an hourly basis and who are exempt from the minimum wage and overtime requirements under § 32-1004(a); and (E) Any other records or information as the Mayor may prescribe by regulation …"

[54] DC Code § 32–1308.01(c)(3).

allegations; if they miss the deadline, the claim is considered to be true (or "deemed admitted"). The law only requires that the agency reach an initial determination on the charges within 60 days from when the employer is initially informed of the complaint; however, claims that are not disputed should be capable of being resolved much more quickly.

The only cases that should near the 60-day statutory deadline for resolution are those disputed by the employer. If an employer admits the charge or does not respond, the simplicity of the case means that DOES should be able to issue its decision in much less than 60 days. If the employer admits the charge, the agency can issue its initial determination by simply turning the complaint into a final order, and then effectively close the case. In a disputed case (i.e., the employer denies the charges), DOES must assess the evidence provided and decide what occurred. OWH should review its Standard Operating Procedures for these cases in order to streamline their resolution and allow staff to dedicate more attention to fairly resolving disputed cases.

Table 2 - Complaint Investigations Completed

	Complaints filed	**Complaints resolved in the same year**	**Percentage of complaints resolved in same year**[55]
FY19	641	260	41%
		(178 final determinations & up to 82 settlements)[56]	
FY20	456	97	21%
		(74 final determinations & 23 settlements)	
FY21	209	77	37%
		(28 final determination & up to 49 conciliation)	

Data Opportunity: Non-Complaint Inquiries

There were 2,579 email inquiries to the office in FY2021, but the agency does not document the number of calls it receives. Each time a worker, employer, or another person contacts the agency, they are providing useful information about what is happening in workplaces across Washington, DC. Workers who fear retaliation by their employer may use the email or phone line as a method of learning whether they are covered by the law before filing a complaint. Therefore, tracking the purpose of each call or email will help OWH to identify emerging issues. The Committee is particularly concerned about the historically low number of sick leave complaints filed with DOES each year: only 12 in FY2020 and 28 in FY2021, which is on par with prior years. For comparison, New York City had at least 320 complaints filed per year in 2017,2018, and 2019 and Seattle at least

[55] Note that this number includes complaints filed in the last weeks of the fiscal year and which cannot be expected to close out in the same year they were filed.
[56] Some resolved cases may have been initially filed in previous fiscal years.

334 for each of those years.[57] Tracking inquiries would enable the agency to compare the number and types of questions with actual complaints filed, and then create a strategy to reach workers who do not use the administrative complaint process.

The Committee appreciates DOES's efforts to report the numerous data points requested every year during the oversight process every year, which helps the legislative branch effectively conduct its crucial oversight role. It's important to note that there are exceptions and nuances to the administrative process that are better understood by OWH, and the division is best positioned to identify meaningful and attainable goals for itself. Recently, staff from DOES and the Committee met to better understand the process for confidential complaints. This was a useful session and the Committee believes additional collaboration between Committee and OWH staff on improving the law and its implementation would reap rewards for District workers.

The Committee hopes that DOES will review the above in order to establish goals for the Office of Wage Hour Enforcement in FY2023 that will address these concerns. These goals should include:

- Complaint Validation: Request that employers provide documents if complainants are unable to provide them;
- Resolving Complaints: Establish internal deadlines to resolve non-disputed complaints within 30 days of receiving complaints; and
- Non-Complaint Inquiries: Track what laws and specific issues callers want to understand, and then use identified trends to establish strategic outreach and enforcement goals.

The Committee looks forward to reviewing the agency's strategic goals for the Office of Wage and Hour Enforcement during the FY2022 performance oversight process next year.

[57] New York City data from "The State of Workers' Rights in New York City Third Annual Report," May 2020, p. 9; Seattle data from https://www.seattle.gov/laborstandards/ols-data-/data-interactive-dashboards/worker-inquiries-dashboard and confirmed that an "inquiry" is a complaint via email exchange on April 13, 2021 6:47 PM.

3. FY 2023-2028 Capital Budget

Row Labels	Sum of Available Allotment as of 16 Mar 2022 (includes Pre-Encumbrances)	Sum of FY 2023 Planned Allotment	Sum of FY 2024 Planned Allotment	Sum of FY 2025 Planned Allotment	Sum of FY 2026 Planned Allotment	Sum of FY 2027 Planned Allotment	Sum of FY 2028 Planned Allotment	Sum of FY 2023-FY 2028 Total Planned Allotment
DEPARTMENT OF EMPLOYMENT SERVICES								
4058 NETWORK INFRASTRUCTURE								
Existing Balances	1,735,000	0	0	0	0	0	0	0
4058 NETWORK INFRASTRUCTURE Total	1,735,000	0	0	0	0	0	0	0
DC APPRENTICESHIP MANAGEMENT SYSTEM								
Mayor's Proposed FY23 Change	0	670,000	250,000	0	0	0	0	920,000
DC APPRENTICESHIP MANAGEMENT SYSTEM Total	0	670,000	250,000	0	0	0	0	920,000
DC INFRASTRUCTURE ACADEMY								
Approved FY22 CIP for FY23-27	0	14,255,150	0	0	0	0	0	14,255,150
Existing Balances	40,085,889	0	0	0	0	0	0	0
DC INFRASTRUCTURE ACADEMY Total	40,085,889	14,255,150	0	0	0	0	0	14,255,150
DOES DATAWORKS								
Existing Balances	73,605	0	0	0	0	0	0	0
DOES DATAWORKS Total	73,605	0	0	0	0	0	0	0
DOWNTOWN AMERICAN JOB CENTER								
Mayor's Proposed FY23 Change	0	3,000,000	1,700,000	0	0	0	0	4,700,000
Committee's FY23 Recommendation	0	(2,700,000)	2,700,000	0	0	0	0	0
DOWNTOWN AMERICAN JOB CENTER Total	0	300,000	4,400,000	0	0	0	0	4,700,000
PAID FAMILY LEAVE IT APPLICATION								
Existing Balances	2,601,890	0	0	0	0	0	0	0
PAID FAMILY LEAVE IT APPLICATION Total	2,601,890	0	0	0	0	0	0	0
SUMMER YOUTH EMPLOYMENT PROGRAM- CAPITAL								
Approved FY22 CIP for FY23-27	0	2,000,000	0	0	0	0	0	2,000,000
Existing Balances	214,005	0	0	0	0	0	0	0
SUMMER YOUTH EMPLOYMENT PROGRAM- CAPITAL Total	214,005	2,000,000	0	0	0	0	0	2,000,000
UI MODERNIZATION PROJECT-FEDERAL								
Existing Balances	24,667,142	0	0	0	0	0	0	0
UI MODERNIZATION PROJECT-FEDERAL Total	24,667,142	0	0	0	0	0	0	0
DEPARTMENT OF EMPLOYMENT SERVICES Total	69,377,531	17,225,150	4,650,000	0	0	0	0	21,875,150
Grand Total	69,377,531	17,225,150	4,650,000	0	0	0	0	21,875,150

Committee Analysis and Comments

The Mayor's proposed capital budget for DOES includes $21,875,150 in capital allotments during the FY 2023-2028 planning period. All of these proposed allotments are scheduled to occur in FY2023 or 2024, the first two years of the six-year capital plan. In addition to new allotments, DOES has unspent capital allotments from FY2022 and prior years in the amount of $69,377,531 as of March 16, 2022.

The Committee recommends approving the proposed capital budget with the following revisions, described in further detail below: (1) partially deferring allotments to the new Downtown American Job Center to provide more time to refine the project; and (2) correcting a technical error in the Fund Detail proposed for the Summer Youth Employment Program – Capital and Apprenticeship Management System projects.

The following sections outline the projects receiving proposed allotments.

DC Infrastructure Academy (Project No. SNTRC)

The proposed budget includes an FY2023 capital allotment of $14,255,150, the final scheduled allotment for the DC Infrastructure Academy (DCIA) project. The Committee recommends approving the allotment for this project as proposed.

Although the bulk of funding for this project remains waiting to be spent, there have been at least three significant developments in this project since the Committee adopted last year's budget recommendations. First, the Council approved a proposal to dispose of the current site of DCIA at the Wilkinson School by August 2024. The DCIA capital project must be completed by then to successfully transition from the current site to a new long-term home at the former Spingarn school following substantial rehabilitation. Second, DCIA will have a second, satellite location to be included within the Reunion Square development in Ward 8 to be completed in mid-2024. And third, the Council approved the Mayor's request to reprogram $4 million from the DCIA project to a new OSSE capital project for the Advanced Technical Center, following the administration's decision not to co-locate the Advanced Technical Center at Spingarn with DCIA. Following this reprogramming and including the proposed FY23 allotment, the DCIA project will have a total remaining budget of $54.3 million.

On March 2, 2022, DGS executed a contract for architectural and engineering services to design the Spingarn portion of the project. The contract contemplates that construction of the project will be substantially complete by June 26, 2024, which is consistent with the Administration's commitment to transition DCIA to Spingarn by mid-2024.

DOES outlined the future of DCIA in a project memorandum dated August 2, 2021. The memo mentions services to be provided at Spingarn in quick paths to careers in key industries, including energy, transportation, and health safety. The Reunion Square site will include similar quick paths, plus another other in information technology, a new training and career pathway in hospitality, and a relocation of the American Job Center from Wilkinson.

The Committee has received assurances from the Administration, including DGS and the Deputy Mayor for Planning and Economic Development, that the DCIA project remains on schedule and the Spingarn site will be done by mid-2024 despite the challenges of recent fire damage and the facility's need for extensive repair. In approving the FY2023 allotment, the Committee places its trust in the Administration to successfully complete this project.

Downtown American Job Center (Project No. DAJC1)

This proposed budget includes $4,700,000 in new allotments ($3,000,000 in FY2023 and $1,700,000 in FY2024) for a new capital project entitled "Downtown American Job Center." As proposed, all allotments would be financed with the proceeds of long-term borrowing. The Committee recommends partially deferring the scheduled allotments (so that $300,000 is available in FY2023 and $4,400,000 in FY2024) to provide time to refine the scope, location, and cost of this project.

The primary purpose of this project is to establish a new American Job Center (AJC) to replace the existing AJC at the Reeves Center, which will no longer provide space for job placement programs or District government generally due to redevelopment by

DMPED. At a budget hearing, Director Morris-Hughes added that DOES expects to vacate the existing AJC currently located at Bertie Backus, which is being repurposed by UDC as a community college campus. After these two closures, DOES will have only two remaining AJC locations, at the DCIA site and the DOES headquarters on Minnesota Avenue.

A secondary purpose of this project is to relocate DOES's Office of Talent and Client Services from the agency's Minnesota Avenue headquarters to a location that is physically closer to major employers. A downtown location "will uniquely position them to expand networks and build more robust alliances with businesses and identify thousands of job opportunities," according to the capital project description.

In describing this project, the capital budget implicitly criticizes existing approaches to job placement centers. It states that the job placement gap is growing for residents of color, despite the placement of existing AJC sites in communities of need. The project description continues, "We need to rethink and reimagine the role that business play in our service delivery model as the traditional transactional approach has not always yielded the greatest outcomes." The Committee generally agrees and is receptive to adjusting the job placement model in a manner that better meets the needs of District residents and businesses alike.

Yet the Committee believes that substantial rethinking and reimagining remains to be done to justify the proposed investment. The costs of relocating the Office of Talent and Client Services from District-owned space to leased downtown space are substantial, but the benefits of physical proximity are indeterminate. The Committee does not yet understand how a downtown location will result in operational improvements to the Office of Talent and Client Services that cannot be achieved in its current location.

Further, the specific location of the proposed project has not yet been identified, but the $4.7 million project budget is based on a DGS estimate of the amount of leased office space required for the AJC and the Office of Talent and Client Services. It is assumed that this space would be leased for a 10-year term. Apparently, the District as tenant would finance the cost of improvements to the leased space through borrowing for this capital project, instead of negotiating a tenant improvement allowance with the landlord. The assumed 10-year lease term limits the expected useful life of the capital improvements and, in the Committee's view, makes this project a poor candidate for the proposed long-term financing (typically having a final maturity of 25 or 30 years).

With respect to the placement of the AJC, the Committee would support a plan to establish an industry-specific downtown AJC with a focus on placing District residents in one or more of our high-demand sectors. The Committee also would support an additional community-based AJC or satellite site, in a location such as a property to be acquired on the Kennedy Street corridor, to serve Northwest residents who will no longer be able to visit AJCs at the Reeves Center or Backus campus. The costs of these potential AJC sites, and the tradeoffs involved in relocating the Office of Talent and Client Services, deserve more careful consideration.

This consideration should be done in full consultation with the Workforce Investment Council. The Committee believes that WIC's involvement could provide confidence that a proposed capital investment will advance the District's workforce development strategy, rather than simply reacting to a real estate scramble triggered by the redevelopment of Reeves. Despite assurances that DOES has consulted with WIC (apparently at a staff level), it appears to the Committee that the WIC Board has not been engaged in the strategic planning of future AJC locations.

For these reasons, the Committee wants to see this proposed project refined before it moves ahead. To provide time for refinement, the Committee recommends partially deferring the scheduled capital allotments, so that $300,000 is made available in FY2023 and $4,400,000 in FY2024. The Committee looks forward to considering a revised version of this project in the future.

Summer Youth Employment Program – Capital (Project No. SYP01)

The proposed budget continues the Summer Youth Employment Program – Capital project with its final scheduled allotment of $2,000,000 in FY2023. This project was initially funded with a $300,000 allotment in FY2022.

The Committee recommends approving this project budget as proposed, with one revision. Consistent with the District's financial policies, the Fund Detail should be revised from 0300 (long-term financing) to 0304 (short-term financing). The Committee does not intend this revision to affect the agency's ability to implement the project as proposed.

Despite its name, this IT system will support all of DOES's youth programs, including the summer youth employment program, year-round youth employment program, and the Marion Barry Youth Leadership Institute. Once implemented, the system is expected to streamline administration of these programs, make it easier for youth to enroll using mobile devices without visiting government offices in person, and centralize case management.

DC Apprenticeship Management System (Project No. APMS1)

The capital budget includes a new $970,000 project (with scheduled allotments of $670,000 in FY2023 and $250,000 in FY2024) to replace an outdated IT system supporting DOES's apprenticeship programs. Once implemented, the new system is expected to have broader functionality that will enable DOES, job sponsors, and apprentices to better track apprenticeship opportunities.

The Committee recommends approving this project budget as proposed, with one revision. Consistent with the District's financial policies, the Fund Detail should be revised from 0300 (long-term financing) to 0304 (short-term financing). The Committee does not intend this revision to affect the agency's ability to implement the project as proposed.

The Committee encourages DOES to consider whether an available commercial-off-the-shelf product is available and suitable for the agency's needs at the lowest feasible cost. But the Committee defers to DOES on the most appropriate means of completing this project.

Other Projects with Unspent Prior Allotments

In addition to the capital allotments proposed for the FY 2023-2028 capital improvements plan, DOES has available unspent allotments approved in prior budgets in the amount of $69,377,531 as of March 16, 2022. The majority of these unspent allotments (approximately $40.3 million) were approved for two projects discussed above: the DC Infrastructure Academy and Summer Youth Employment Program – Capital.

The remaining unspent allotments (approximately $29.1 million) have been approved for the following four projects, which are not scheduled to receive further funding in the FY 2023-2028 capital improvements plan:

- *Paid Family Leave IT Application (Project No. PFL08)*: This IT project had $2,601,890 in unspent allotments as of March 16, 2022.
- *UI Modernization Project (Project No. UIM02)*: This IT project had $24,667,142 in unspent allotments as of March 16, 2022.
- *DOES Dataworks (Project No. DW101)*: This project had $73,605 in unspent allotments as of March 16, 2022.
- *4058 Network Infrastructure (Project No. NWR01)*: This project had $1,735,000 in unspent allotments as of March 16, 2022.

With respect to the Paid Family Leave IT Application project (No. PFL08), the project has been implemented with the possible exception of adjustments to maximum benefit durations and initial adjustments to the payroll tax rate. The Committee expects this capital project to be closed out by October 31, 2022, or sooner if possible, with the operating budget assuming the cost of any remaining work on the application.

In comparison, the UI Modernization Project has mostly languished since receiving its first capital allotment in FY2012. But DOES has moved forward to rebuild the tax side of the system, with launch expected in Summer 2022, and Director Morris-Hughes testified that the new UI benefits system is scheduled to go live in Spring 2023 (despite a legal requirement to complete the system by the end of FY2022). Having been hampered by the existing antiquated system during the pandemic's tidal wave of unemployment benefit claims, DOES now appears to recognize the urgency of implementing this project successfully. The Committee is hopeful that the agency will successfully launch the new system on time. The Committee's previous budget reports over the past five years have discussed this project in detail, including financial history and recommendations for making the system accessible and user-friendly. These recommendations still stand.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Summary of Fiscal Year 2023 Operating Budget Recommendations

Summary of Budget Changes for DOES (CF0)

Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
1000 - AGENCY MANAGEMENT	1030 - PROPERTY MANAGEMENT	0041 - CONTRACTUAL SERVICES - OTHER	Recurring		(50,000)	The agency didn't provide sufficient justification for the budget.
1000 - AGENCY MANAGEMENT	1040 - INFORMATION TECHNOLOGY	0040 - OTHER SERVICES AND CHARGES	Recurring		(40,000)	The agency didn't provide sufficient justification for the budget.
4000 - WORKFORCE DEVELOPMENT	4260 - INFRASTRUCTURE ACADEMY	0050 - SUBSIDIES AND TRANSFERS	One Time		5,000,000	ARPA allocation to DCIA
4000 - WORKFORCE DEVELOPMENT	4260 - INFRASTRUCTURE ACADEMY	0050 - SUBSIDIES AND TRANSFERS	One Time		(900,000)	Maintain FY23 program funding through ARPA replacement.
4000 - WORKFORCE DEVELOPMENT	4300 - OFFICE OF APPRENTICESHIP INFO. AND TRNG	0040 - OTHER SERVICES AND CHARGES	Recurring		(75,000)	The agency didn't provide sufficient justification for the budget.
4000 - WORKFORCE DEVELOPMENT	4300 - OFFICE OF APPRENTICESHIP INFO. AND TRNG	0041 - CONTRACTUAL SERVICES - OTHER	Recurring		(40,000)	The agency didn't provide sufficient justification for the budget.
4000 - WORKFORCE DEVELOPMENT	4300 - OFFICE OF APPRENTICESHIP INFO. AND TRNG	0050 - SUBSIDIES AND TRANSFERS	One Time		4,000,000	ARPA allocation to Apprenticeship
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0050 - SUBSIDIES AND TRANSFERS	One Time		225,000	ARPA allocation to School Year Internship for At-Risk Youth slots
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0012 - REGULAR PAY - OTHER	One Time		89,000	ARPA allocation to School Year

Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
						Internship for At-Risk Youth slots
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0014 - FRINGE BENEFITS - CURR PERSONNEL	One Time		20,000	ARPA allocation to School Year Internship for At-Risk Youth slots
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0012 - REGULAR PAY - OTHER	Recurring		345,000	School Year Internship Program expansion
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0014 - FRINGE BENEFITS - CURR PERSONNEL	Recurring		77,000	School Year Internship Program expansion
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0040 - OTHER SERVICES AND CHARGES	Recurring		515,000	School Year Internship Program expansion
4000 - WORKFORCE DEVELOPMENT	4810 - YEAR-ROUND YOUTH PROGRAM	0050 - SUBSIDIES AND TRANSFERS	Recurring		1,101,600	School Year Internship Program expansion
4000 - WORKFORCE DEVELOPMENT	4820 - MARION BARRY SUMMER YOUTH EMPLOYMENT PGM	0050 - SUBSIDIES AND TRANSFERS	One Time		1,000,000	ARPA allocation to Summer Youth Employment Program
5000 - STATE INITIATIVES	5100 - TRANSITIONAL EMPLOYMENT	0050 - SUBSIDIES AND TRANSFERS	Recurring		(5,000,000)	Maintain FY23 program funding through ARPA replacement.
5000 - STATE INITIATIVES	5100 - TRANSITIONAL EMPLOYMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		606,000	ARPA allocation to Jobs First Pilot, year 2
5000 - STATE INITIATIVES	5100 - TRANSITIONAL EMPLOYMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		23,000,000	ARPA allocation to Project Empowerment
5000 - STATE INITIATIVES	5100 - TRANSITIONAL EMPLOYMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		4,500,000	ARPA allocation to Building Blocks

Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
5000 - STATE INITIATIVES	5100 - TRANSITIONAL EMPLOYMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		4,000,000	ARPA allocation to maintain FY23 program funding only.
5000 - STATE INITIATIVES	5200 - DC CAREER CONNECTIONS	0050 - SUBSIDIES AND TRANSFERS	Recurring		(2,000,000)	Maintain FY23 program funding through ARPA replacement.
5000 - STATE INITIATIVES	5200 - DC CAREER CONNECTIONS	0050 - SUBSIDIES AND TRANSFERS	Recurring		2,000,000	ARPA allocation to maintain FY23 program funding
6000 - PAID FAMILY LEAVE	6100 - ADMINISTRATION	0040 - OTHER SERVICES AND CHARGES	One Time	250,000		Administrative cost associated with expanding benefits starting July 1, 2022
7000 - EDUCATION AND WORKFORCE STRATEGY	7400 - POVERTY COMMISSION	0040 - OTHER SERVICES AND CHARGES	Recurring		150,000	Poverty Commission enhancement provided by RLYA.
DCRP - DISTRICT RECOVERY PLAN	DRPF - DISTRICT RECOVERY PLAN	0012 - REGULAR PAY - OTHER	One Time		(4,248,474)	To allocate ARPA funds by program.
DCRP - DISTRICT RECOVERY PLAN	DRPF - DISTRICT RECOVERY PLAN	0014 - FRINGE BENEFITS - CURR PERSONNEL	One Time		(981,398)	To allocate ARPA funds by program.
DCRP - DISTRICT RECOVERY PLAN	DRPF - DISTRICT RECOVERY PLAN	0050 - SUBSIDIES AND TRANSFERS	Recurring		(28,895,696)	To allocate ARPA funds by program.
DCRP - DISTRICT RECOVERY PLAN	DRPF - DISTRICT RECOVERY PLAN	0050 - SUBSIDIES AND TRANSFERS	One Time		(4,594,463)	To allocate ARPA funds by program.

b. Summary of FY2023 Policy Recommendations

Cross Agency

1. Build on Language Access Improvements

Unemployment Insurance

1. Implement Fair Debt Collection Practices
2. Waive Non-Fraud Overpayments as Authorized by US DOL Guidance

Workforce Development

1. Improve the School Year Internship Program by providing benchmarks, program guide, and online portal
2. Provide additional support and targeted programming for LGBTQ+ youth and youth experiencing homelessness
3. Ensure expedited soft-skills training and job placement are prioritized with the Jobs First Pilot Program
4. Increase the number of District residents trained through the DC Infrastructure Academy by increasing slots for training providers with the capacity to train more participants
5. Expand geographical focus of job training programs serving at-risk and vulnerable residents

Paid Leave

1. Actively address the racial and class inequities in claim denial rates by engaging the public in outreach, education, and trainings with a focus on areas of the city with high poverty rates
2. Study implementation of an electronic portal for medical documentation
3. Develop a comprehensive public education campaign regarding the Paid Family Leave program expansion
4. Strengthen customer service efforts when engaging with claimants via the telephone and make portal more user-friendly

Labor Standards

1. To Effectively Help Workers, DOES Must Analyze Data & Set Goals

c. Fiscal Year 2022 Capital Budget Recommendations

1. Downtown American Job Center (Project No. DAJC1): partially defer the scheduled allotments, so that $300,000 is available in FY2023 and $4,400,000 in FY2024, to provide time to refine the scope, location, and cost of this project.

D. Employees' Compensation Fund (BG0)

1. Agency Mission and Overview

The mission of the Employees' Compensation Fund (ECF) is to administer the Public Sector Workers' Compensation program for District of Columbia government employees and to pay the required claims costs of eligible claimants, pursuant to applicable District laws.

2. Fiscal Year 2023 Operating Budget

Fiscal Year 2023 Operating Budget, By Revenue Type

Fund Type	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	Sum of Committee Variance	Committee Approved	% Growth over FY2022
Local	$18,617,439	$22,146,569	$22,219,334	0	$22,219,334	0%
Gross Funds	**$18,617,439**	**$22,146,569**	**$22,219,334**	**0**	**$22,219,334**	**0%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type

Fund Type	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	Sum of Committee Variance	Committee Approved	% Growth over FY2022
Local	45.5	49.0	49.0	0	49.0	0%
Gross Funds	**45.5**	49.0	49.0	0	49.0	0%

Fiscal Year 2023 Operating Budget, By Program (Gross Funds)

Program	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	Sum of Committee Variance	Committee Approved	% Growth over FY2022
0010 Disability Compensation Fund	Local	$18,617,439	$22,146,569	$22,219,334	0	$22,219,334
Total	**Gross Funds**	**$18,617,439**	**$22,146,569**	**$22,219,334**	**0**	**$22,219,334**

Committee Analysis and Recommendations

a. Budget Recommendations

1. Reduce FY2022 budget to meet spending needs ($3,517,308 one-time)

The Employee Compensation Fund is consistently overbudgeted compared with past spending. The agency spent $18.6 million in FY2021. Its FY2022 revised budget is $22.6 million (revised up from an approved level of $21.1 million); however, as of mid-March 2022, nearly halfway through the year, it had spent only $6.8 million, or 27 percent of its budget. The Committee recommends reducing the FY2022 budget by $3.5 million to account for this spending rate.

3. FY 2022-2027 CAPITAL BUDGET

ECF has no proposed capital budget for FY 2023-2028.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approving the Mayor's FY2023 budget as proposed.

E. OFFICE OF EMPLOYEE APPEALS (CH0)

1. AGENCY MISSION AND OVERVIEW

The Office of Employee Appeals (OEA) is an independent agency that resolves disputes between government agencies and employees through impartial administration of the District's public employment statute, the DC Government Comprehensive Merit Personnel Act. OEA hears appeals challenging the following personnel actions: (1) a performance rating which results in the removal of the employee (2) an adverse action for cause which results in the removal (3) a reduction in grade (4) a suspension of ten days or more (5) a reduction in force, and (6) a placement on enforced leave for ten days or more. Beginning in FY2021, OEA will also hear a new category of cases, safety sensitive cases, in which an employee will be able to appeal the designation of their position as safety sensitive.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local Fund	$2,234,219	$2,234,311	$2,310,711	0	$2,310,711	3%
Gross Funds	**$2,234,219**	$2,234,311	**$2,310,711**	**0**	$2,310,711	**3%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local	15	14.4	15	0	15	4.2%
Total	**15**	**14.4**	**15**	**0**	**15**	**4.2%**

Fiscal Year 2023 Operating Budget, By Program and Activity (Gross Funds)

Activity	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
1000 - Agency Management						
1020 - Contracting & Procurement	$82,000	$92,000	$117,000	0	$117,000	27%
1040 - Information Technology	$67,000	$66,000	$69,000	0	$69,000	0%
1085 - Customer Service	$70,000	$61,000	$61,000	0	$61,000	0%
1090 - Performance Management	$226,000	$272,000	$277,000	0	$277,000	2$
1100 - Office of Employee Appeals	$750,000	$728,000	$684,000	0	$684,000	-6$
Total Program Funds	**$1,194,000**	**$1,219,000**	**$1,208,000**	**0**	**$1,208,000**	**-1%**

Activity	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	Sum of Committee Variance	FY2023 Committee Approved	% Growth over FY2022
2000 - Adjudication						
2001 - Adjudication Process	$965,000	$949,000	$1,013,000	$0	$1,013,000	7%
2002 - Appeals	$2,000	$26,000	$1000	$0	$1,000	-96%
2003 - Mediation	$73,000	$41,000	$89,000	$0	$89,000	117%
Total Program Funds	**$1,040,000**	**$1,016,000**	**$1,103,000**	$0	**$1,103,000**	**9%**
Total Agency Funds	**$2,234,000**	**$2,234,000**	**$2,311,000**	$0	**$2,311,000**	**3%**

Committee Analysis and Recommendations

a. Budget Recommendations

The Committee recommends approving the OEA budget for FY2023 as proposed.

b. Budget Commentary

1. ***Collaborate with the Office of the Chief Financial Officer (OFCO) to cover the spending pressure in the personnel portions of the FY2022 and FY2023 budgets***

OEA began to report spending pressure in the personnel spending (PS) portion of its budget for FY22, and now warns of spending pressure in the PS portion of the FY23 budget. The FY 2022 and FY2023 budgets as proposed were short of necessary funds. The Committee has only recently learned of the extent and nature of the issue—technological and human errors delayed the payment of earned pay increases for a third of the agency's employees, and the affected employees are now owed back pay and significant increases totaling $97,275 in FY22 and $69,483 in FY23. OEA has known of this issue for at least two years but failed to alert the Committee of the extent and nature of the issue. At this late hour, the Committee is unable to take from another agency to fund the PS portion of the OEA budget. However, the Committee strongly encourages OEA to work with agency fiscal officers to reprogram funds to pay the owed amounts. Agency fiscal officers, and the OCFO generally, have greater awareness and access to funds as well as the authority to transfer funds all year. They should correct the errors, make employees whole in their salaries, and implement all owed step increases.

b. Policy Recommendations

1. Prioritize the Correct Allocation of PS Funds During FY24 Budget Formulation.

Each fall, each District agency and financial analysts from the Office of the Chief Financial Officer (OCFO) collaborate to determine the agency's budget for the upcoming fiscal year, which runs from October 1st of the upcoming calendar year to September 30 of the next year. Inaccuracy during this process has significant implications for the upcoming financial year: if the agency and OCFO allocate less money than is required to operate the agency, and the Council cannot find funds from another agency to resolve the difference, the agency may be underfunded. This has happened for two consecutive years at OEA regarding the personnel services (PS) portion of the agency budget, which means that the agency is unable to pay the salaries of its employees.

To resolve this, OEA should be careful to review the Schedule A with the OCFO, and ensure that step, fringe, backpay, and any other personnel costs are accurately budgeted for each individual. The Committee also recommends reporting back to the Committee regarding any challenges.

2. *Re-Allocate Resources From the Mandatory Mediation Program*

In 2011, the Council passed the Office of Employee Appeals Mandatory Mediation Act of 2011.[58] This Act required OEA to conduct mediations in all cases involving a removal, reduction in grade, a suspension of 10 days of more, placement on enforced leave of 10 days or more, or in other cases as determined by a hearing examiner. The result of this change was that almost every case heard by the agency required mediation. At that time, there was a substantial backlog of older cases, and it was hoped that forcing the parties to at least *attempt* settlement would help clear the backlog. The backlog is now cleared but a new problem has arisen. In the last five years, OEA has successfully mediated less than one in five cases or 20%; for the most recent completed financial year—FY2021—the mediation success rate was just 5%.[59]

After much discussion during performance oversight and budget hearings between the Committee and the agency over the last two years regarding the efficiency of the mediation program, the Committee has amended the OEA governing statute to end the mediation program through a subtitle in this year's Budget Support Act (See Chapter IV.B.5). This means that although the mediation program will continue, litigants will be able to decline mediation as of October 1, 2022, and the agency will be able to re-allocate personnel to tasks more likely to engender success. OEA should immediately begin to plan on the best use of the time and capabilities of the administrative law judges who will now have less mediations as of October 1. Possible uses of the newly-available human capital include time for legal training, preparing to hear safety sensitive cases or otherwise analyze the District's medical marijuana employment policies, or closing out the oldest cases at the agency.

Mediation is a favorable alternative to litigation when it reduces the time spent by the agency and the parties adjudicating the dispute, as well as reducing attorney fees and other litigation costs. Mediation is therefore the best option for parties who may ultimately settle or are somewhat aligned on the facts and the controlling law because the same end result is obtained with less money and time. However, when the parties are far apart and unlikely to agree, mediation is less likely to succeed and incurs excess costs in addition to the litigation costs. It also increases the length of time the appealing employee is awaiting a decision concerning their employment status with the District.

3. Establish an internship program and create a pipeline of recent law graduates with relevant work experience

OEA employs fifteen people, and ten of those fifteen positions fall within the Legal Service, or positions within the District government which require a law license.[60] Positions under this classification are compensated at a higher rate than most others within the District government, and persons with the requisite skills and academic qualifications to fill these roles are highly sought out by nearby jurisdictions and the federal government. This makes OEA, an agency dependent on a relatively small staff, highly susceptible to staff shortages with vacancies that are hard to fill and budget for if filled by experienced attorneys seeking market rates for their services. To offset this vulnerability, OEA should establish an internship program to create a pipeline or pool of new graduates who have relevant work experience and are familiar with the work and personnel of the agency. The agency will also save money by hiring new graduates because new graduates are hired at much lower rates of compensation.

4. ***Continue to prepare for safety sensitive designation appeals and report any issues to the committee***

In FY22, OEA's jurisdiction was expanded to hear a new type of case, safety sensitive designation appeals. Safety sensitive designation appeals are appeals brought by an employee seeking the redesignation of their position to not be "safety sensitive." If a job is classified as safety sensitive, the employee is not permitted to use medical marijuana, even if prescribed, and may be terminated if they fail a drug test.

Thus far in FY2022, OEA has not received any safety sensitive designation appeals. The Committee is working with the District's personnel agency, the Department of Human Resources to ensure that every employee in a safety sensitive position is provided written

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[58]Sec 1042 of the Office of Employee Appeals Mandatory Mediation Act of 2011, D.C. Law 19-21 (effective September 14, 2011); D.C. Official Code §1-606.06

[59] Office of Employee Appeals," Attachments to Responses to Fiscal Years 2022-2023 Performance Oversight Questions," Submitted to the Committee on Labor and Workforce Development, page 3, attachment 1, available at https://dccouncil.us/wp-content/uploads/2022/01/OEA-Performance-Responses-FY2021-2022-ATTACHMENTS.pdf

[60] Office of Employee Appeals," Responses to Fiscal Years 2022-2023 Performance Oversight Questions," Submitted to the Committee on Labor and Workforce Development, page 7, attachment 10 available at https://dccouncil.us/wp-content/uploads/2022/01/OEA-Performance-Responses-FY2021-2022.pdf

notice of their right to appeal to OEA following an appeal to their personnel authority. The Committee strongly encourages OEA to alert the Committee of any issues regarding the adjudication of these cases.

3. FY 2023-2028 Capital Budget

OEA has no capital budget for FY 2023-2028.

4. Summary of Committee Recommendations

a. Summary of Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approving the OEA budget for FY2023 as proposed.

b. Budget Commentary

- Collaborate with the Office of the Chief Financial Officer (OFCO) to cover the spending pressure in the personnel portions of the FY2022 and FY2023 budgets

c. Policy Recommendations

1. Prioritize the correct allocation of PS funds during FY2024 budget formulation.
2. Re-Allocate Resources From the Mandatory Mediation Program.
3. Establish an internship program and create a pipeline of recent law graduates with relevant work experience.
4. Continue to prepare for safety sensitive designation appeals and report any issues to the committee.

F. OFFICE OF LABOR RELATIONS AND COLLECTIVE BARGAINING (AK0)

1. AGENCY MISSION AND OVERVIEW

The Office of Labor Relations and Collective Bargaining (OLRCB) serves as the Mayor's principal management advocate in labor matters between the District and unionized employees. OLRCB is responsible for representing management before the Public Employee Relations Board (PERB); engaging in collective bargaining negotiations, including those involving compensation agreements and impacts and effects bargaining; advising the Mayor and District agencies in labor matters; developing and implementing the city's labor initiatives, and; providing training to labor liaisons, managers, supervisors, and management officials regarding their rights and obligations as required by the Comprehensive Merit Personnel Act and other sources of the District's labor laws and policies.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local Fund	$2,337,498	$2,586,044	$3,163,254	0	$3,163,254	22%
Operating Intra-District Funds	$48,386	$0	$0	0	$0	
Total Gross Funds	**$2,385,885**	**$2,586,044**	**$3,163,254**	**0**	**$3,163,254**	22%

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local	14.9	17	17	0	17	0
Total	**14.9**	**17**	**17**	**0**	**17**	**0**

Fiscal Year 2023 Operating Budget, By Program and Activity (Gross Funds)

Activity	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
3000 – Labor Relations and Collect. Bargaining						
3005 - Labor Relations/Collective Bargaining	$2,385,885	$2,586,044	$3,163,254		$3,163,254	22%
Total Program Funds	**$2,385,885**	**$2,586,044**	**$3,163,254**		**$3,163,254**	**22%**

Committee Analysis and Recommendations

a. Budget Recommendations

The Committee recommends approving OLRCB's FY2023 budget as proposed.

b. Policy Recommendations

1. Obtain necessary budget authority from the Office of the City Administrator prior to beginning compensation negotiations or inform labor representatives of the inability to bargain prior to negotiations

With few exceptions, OLRCB represents the District (also described as management when acting in the role of employer) in compensation negotiations with District employees and the labor organizations who represent them. These negotiations develop into agreements called collective bargaining agreements (CBAs), which delineate when and how much is paid out to employees in raises and other compensation. OLRCB receives budget authority—the power to commit the District's financial resources— for each agreement from the Office of the City Administrator (OCA). For example, OLRCB will consult with the OCA to receive authority to offer a certain percentage as a cost-of-living-increase for each year of the compensation agreement.

During budget and performance oversight hearings, the Committee received testimony indicating that compensation negotiations are sometimes delayed because OLRCB engages in negotiations prior to receiving budget authority from the OFCO, which results in negotiation delays and undermines the labor-management relationship. OLRCB should only begin negotiations after receiving budget authority from the OCA unless the Labor organization is informed of the inability to discuss the specifics of financial compensation, and willingly consents to negotiate over other matters.

Acknowledging and meeting the expectation of labor to thoroughly negotiate over compensation matters whenever compensation negotiations is part of good faith negotiating. Failing to meet that expectation undermines confidence, as indicated by testimony, in the good faith of management and makes delays and third-party adjudications by the Public Employee Relations Board or court more likely.

2. Schedule negotiations over longer periods and bargain at regular intervals

During performance oversight hearings, the Committee received testimony indicating that negotiations were often for a few hours with weeks or even months between negotiations. This undermines labor's confidence in the bargaining process and also delays the execution of the final agreement.

OLRCB should consider setting aside longer periods to bargain whenever possible. For example, consider preparing to bargain over a full day instead of a portion of the day for medium-sized or larger contracts or multiple times within the same month. This is especially critical when bargaining with units whose agreements are long-expired or whose members are working in difficult conditions. Regular bargaining will reinforce the perception that the District prioritizes and values its employees and strong labor-management relationships.

3. ***Review the timelines for compensation negotiations contained in the labor relations statute and report back to the Committee***

DC Code §1-617.16 (f)(1)(A)(i) specifies that compensation negotiations are to begin two financial years prior to the financial year. This means that the law intends that contract negotiations take place with some level of budget uncertainty because future revenues are always uncertain.[61] Therefore, budget uncertainty is not of itself a reason for delayed negotiations.

Currently, many negotiations are not timely, and the agreements are being negotiated retroactively, which means that agreements are currently being negotiated for previous financial years. The Committee understands that negotiations were made more difficult in recent years due to the COVID-19 pandemic and uncertainty in the District's ability to project future revenues. However, this inability to align with District law predates the pandemic and will continue unless backlogs are cleared and new rules are agreed to among stakeholders.

The Committee is gathering information regarding the lack of alignment between current law and current practice, and encourages OLRCB to report back on its view on how to ensure that future negotiations are consistent with District law.

4. ***Collaborate with the Office of the Chief Financial Officer to divide the agency's budget into three programs or activities for the FY2024 Budget and ensure the new case management software is able to track how resources are allocated***

Prior to FY2022, OLRCB was part of the Office of the City Administrator (OCA) and its budget was one program within the OCA's budget. In FY2022, OLRCB became its own agency, with enhanced autonomy and its own budget chapter in the annual budget submission by the Mayor to the Council.

OLRCB's budget since becoming independent lists only one division and program, entitled "Labor Relations and Collective Bargaining." I However, OLRCB is responsible for three main activities that should be analyzed separately due to stark differences in the activities: (1) negotiations and contract administration (2) litigation, and (3) administrative and program support. The negotiations and contract administration duties involves negotiating collective bargaining agreements and working to resolve disagreements over ratified contracts. The litigation unit is responsible for representing the District at the Public

[61] *See* D.C. Code 1-617.17 (f)(1) which requires that collective bargaining be "completed prior to submission of a budget for said year."

Employee Relations Board and in Court, and the administrative and program support unit provides administrative support to the other programs.

Currently, OLRCB's budget chapter does not identify how much of the agency's budget is apportioned for each program. Instead, the entirety of the budget is allocated to what is described in the budget chapter as "Labor Relations and Collective Bargaining." This means that the agency and budgeting entity is unable to identify how financial resources are being allocated across each major task of the agency, which is a major function of any budget. OLRCB should work with the OCFO to divide its budget into programs and activities that reflect its three main activities.

Similarly, OLRCB is proposing to invest $150,000 in a new case management system that may be useful for this purpose. It should have the capability to record the hours spent on each activity being done by each attorney, which OLRCB can analyze. OLRCB will then have information concerning its work, such as specific negotiations, case and litigation activity, and employee activities. OLRCB could use this information as a basis for creating future budgets. This information will also be helpful in billing agencies for representation costs and guide any future expansion of the agency.

5. ***Livestream quarterly meetings with the agency liaison and encourage unit members to attend***

OLRCB regularly meets with agency liaisons, or persons designated by labor to speak for employees at the agency, to discuss labor-management issues. These conversations are perhaps one of the first opportunities to resolve issues that are affecting employees. OLRCB should livestream these meetings on Zoom or another platform and encourage the employees represented by the specific liaison to attend. Represented employees will be able to hear for themselves that their concerns are being addressed, and they will be able to discuss additional issues with their liaison for the next meeting. Inclusive communication between labor and OLRCB boosts transparency and inspires confidence in the labor-management relationship. Communication between the parties also provides the opportunity to resolve matters at the bargaining table and makes less likely that either labor or management will seek administrative or judicial remedies, or the involvement of the Council or other external party.

3. FY 2023-2028 CAPITAL BUDGET

OLRCB has no capital budget for FY 2023-2028.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Summary of Fiscal Year 2023 Operating Budget Recommendation

The Committee recommends approving OLRCB's FY2023 budget as proposed.

b. Policy Recommendations

1. Obtain necessary budget authority from the Office of the Chief Financial Officer prior to beginning compensation negotiations or inform labor representatives of the inability to bargain prior to negotiations.
2. Schedule negotiations over longer periods and bargain at regular intervals
3. Review the timelines for compensation negotiations contained in the labor relations statute and report back to the Committee =
4. Collaborate with the Office of the Chief Financial Officer to divide the agency's budget into three programs or activities for the FY2024 Budget and ensure the new case management software is able to track how resources are allocated
5. Livestream quarterly meetings with the agency liaison and encourage unit members to attend.

G. PUBLIC EMPLOYEE RELATIONS BOARD (CG0)

1. AGENCY MISSION AND OVERVIEW

The mission of the Public Employee Relations Board ("PERB") is to resolve labor-management disputes between agencies of the District government, labor organizations representing employees of various District government agencies, and employees covered by the Comprehensive Merit Personnel Act.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local Fund	$1,226,000	$1,315,000	$1,363,000	0	$1,363,000	3.7%
Gross Funds	**$1,226,000**	**$1,315,000**	**$1,363,000**	**0**	**$1,363,000**	**3.7%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local Funds	7.4	8	8	0	8	0%
Total	**7.4**	**8**	**8**	**0**	**8**	**0%**

Fiscal Year 2023 Operating Budget, By Program and Activity (Gross Funds)

Activity	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
1000 – Agency Management						
1040 - Information Technology	$25,000	$26,000	$25,000	0	$25,000	-4%
1090 - Performance Management	$208,000	$220,000	$223,000	0	$223,000	1%
Total Program Funds	**$232,000**	**$246,000**	**$248,000**	**0**	**$248,000**	**9%**
2000 – Adjudication,						
2001 - Legal Support	$509,000	$514,000	$560,000	0	$560,000	9%
2002 - Court Appeals	$460,000	$524,000	$523,000	0	$523,000	0%
2003 - Public Employee Relations Board	$24,000	$31,000	$31,000	0	$31,000	0%
Total Program Funds	**$994,000**	**$1,069,000**	**$1,115,000**	**0**	**$1,115,000**	**4%**
TOTAL AGENCY FUNDS	**$1,226,000**	**$1,315,000**	**$1,363,000**	**0**	**$1,363,000**	**4%**

Committee Analysis and Recommendations

a. Budget Recommendations

The Committee recommends approving PERB's FY2023 budget as proposed.

b. Policy Recommendations

1. ***Prioritize Staff Training and Development, Including Mediation Training***.

PERB reported that it was unable to provide training for employees in FY2021 due to budget cuts.[62] Training was not provided the preceding year due to COVID-19. The Committee recommends that PERB prioritize the provision of training for agency employees in FY2023. Training can be virtual or in-person, and need not be cost-intensive.

Relevant training and staff development are investments in employees that the Committee hopes will aid in employee retention and employee performance. Courses may include legal writing or any other suitable and applicable skill, but the Committee strongly encourages PERB to also include mediation. During the performance oversight hearing, the agency Director stated that an employee who mediates a case may not be able to prepare the case for the Board if the mediation is unsuccessful due to a conflict of interest. However, judges in District Courts and elsewhere attempt mediations and then hear cases with the same parties without a conflict. Even if special circumstances specific to PERB are present and a conflict would arise, having at least one trained mediator on staff will help the agency identify the cases most appropriate for mediation and to identify and remove barriers to successful mediations.

2. ***Utilize low cost streaming technology to host and record trainings and other events.***

PERB's top priorities for FY2023 include purchasing equipment to livestream hearings and Board meetings and external trainings, budget permitting.[63] The Committee is very supportive of these goals. However, additional funds are not required. The agency currently has Zoom and YouTube accounts, and can also create a Facebook page at no cost. Along with already purchased laptops equipped with video-technology, these platforms are capable of hosting and recording various meetings at no cost or very limited costs. The agency should take advantage of these options. Once recorded on Facebook, YouTube, or Zoom, the recording can be easily transferred from person to person. This is especially

[62] Public Employee Relations Board "Responses to Fiscal Year 2021-2022 Performance Oversight Questions," Submitted to the Committee on Labor and Workforce Development, page 2 available at https://dccouncil.us/wp-content/uploads/2022/01/PERB-FY21-FY22-Perf.Ovrst_.Questions-FINAL-011022.pdf.

[63] Public Employee Relations Board "Responses to Fiscal Year 2021-2022 Performance Oversight Questions," Submitted to the Committee on Labor and Workforce Development, page 2 available at https://dccouncil.us/wp-content/uploads/2022/01/PERB-FY21-FY22-Perf.Ovrst_.Questions-FINAL-011022.pdf.

relevant for external trainings where the agency can save money by providing the recording to several agencies instead of conducting multiple live events covering the same concepts.

3. ***Expand the internship program and create a hiring pipeline.***

Attorney Advisor positions at PERB generally require experienced labor relations attorneys due to the independent nature and complexity of the work required. PERB has suffered from relatively high turnover and resulting loss of capacity during the last two fiscal years. The agency has identified compensation as the driving factor for the resignations. Generally, attorney vacancies at PERB are difficult to fill because of the competitiveness of the labor market for labor relations attorneys, particularly in the District where we compete with the federal government. The Committee recommends expanding PERB's existing internship program and hiring former interns after they graduate whenever possible to offset challenges with hiring and retention. Through an expanded internship program, PERB can still hire experienced attorneys trained by PERB, and at a competitive rate for a new attorney. Expansion can include more interns, or an increase in the term of study, or a paid summer program, or even a collaboration with the legal clinics at any area law school. PERB is also encouraged to retain a list of exceptional alumni of the internship program to fill vacancies.

3. FY 2023-2028 CAPITAL BUDGET

PERB has no capital budget for FY 2023-2028.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Summary of Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approving PERB's FY2023 budget as proposed.

b. Policy Recommendations

1. Prioritize staff training and development, including mediation.
2. Utilize low cost streaming technology to host and record trainings and other events.
3. Expand the internship program and create a hiring pipeline.

H. UNEMPLOYMENT COMPENSATION FUND (BH0)

1. AGENCY MISSION AND OVERVIEW

The Unemployment Compensation Fund (UC Fund) is to provide unemployment compensation benefits to former District government employees who have been separated from employment through no fault of their own.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local	$2,167,281	$5,480,390	$5,480,390	0	$5,480,390	0%
Gross Funds	**$2,167,281**	**$5,480,390**	**$5,480,390**	**0**	**$5,480,390**	**0%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type

Fund Type	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
Local	0	0	0	0	0	
Total	**0**	**0**	**0**	**0**	**0**	

Fiscal Year 2023 Operating Budget, By Program (Gross Funds)

Program	*FY 2021 Actual*	*FY 2022 Approved*	*FY 2023 Proposed*	*Sum of Committee Variance*	*FY2023 Committee Approved*	*% Growth over FY2022*
1000 Unemployment Compensation Fund	$2,167,281	$5,480,390	$5,480,390	0	$5,480,390	0%
Total	**$2,167,281**	**$5,480,390**	**$5,480,390**	**0**	**$5,480,390**	**0%**

Committee Analysis and Recommendations

a. Budget recommendations

The Committee recommends approving the UC Fund's FY 2023 budget as proposed.

3. FY 2023-2028 CAPITAL BUDGET

The UC Fund has no capital budget for FY 2023-2028.

4. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approving the UC Fund's FY 2023 budget as proposed.

I. UNEMPLOYMENT INSURANCE TRUST FUND (UI0)

The Unemployment Insurance Trust Fund, administered by the Department of Employment Services (DOES), represents the proceeds from unemployment taxes paid by private sector employers and reimbursements from the District and federal governments deposited in the Unemployment Trust Fund (the "UI Fund"). The Fund is used to pay benefits for private and non-District government[64] public sector employees during periods of unemployment. Payments include transfers to other governments to reimburse unemployment benefits paid to District residents.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type						
Fund Type	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
Enterprise and Other	$247,068,119	$267,315,936	$176,682,095	0	$176,682,095	-34%
Federal Grant Fund	$34,757,306	$0	$0	0	$0	-100%
Federal Payments	$1,215,280,844	$0	$0	0	$0	-100%
Local	$0	$5,000,000	$0	0		-100%
Gross Funds	**$1,497,106,270**	**$272,315,936**	**$176,682,095**	**0**	**$176,682,095**	**-35%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type						
Fund Type	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
Enterprise and Other	0	0	0	0	0	n/a
Federal Grant Fund	0	0	0	0	0	n/a
Federal Payments	0	0	0	0	0	n/a
Gross Funds	**0**	**0**	**0**	**0**	**0**	**N/a**

Fiscal Year 2023 Operating Budget, By Program (Gross Funds)						
Program	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
2000 Benefits Trust Fund	$1,485,592,810	$267,315,936	$176,682,095	0	$176,682,095	-34%
COV9 COVID-19 Relief Fund	$11,513,460	$0	$0	0	$0	n/a
Total						

[64] District government employees' unemployment compensation funds are housed in BH0 the Unemployment Compensation Fund; See Chapter II.H.

Budget Analysis

The Unemployment Insurance Trust Fund (UITF) accounts for payroll taxes paid by private-sector employers, contributions from the federal and District governments, and the cost of unemployment insurance benefits. The UITF is administered by DOES but appears as an Enterprise Fund in the District's budget. The UITF's financial statements are audited separately from the District's annual comprehensive financial report.

Proposed Budget

The Committee recommends approving the Mayor's proposed FY 2023 budget for UITF without changes, with $176,682,095 in appropriations from Enterprise and Other Funds, a one-third decrease from the approved FY 2022 budget of $267,315,936.

Benefits paid by the UITF were approximately $120 million in FY 2019, $1.568 billion in FY 2020, and $1.498 billion in FY 2021. Figures for prior years included major, temporary expansions to UI that were funded with federal appropriations in approximate amounts of $1 billion and $1.2 billion for FY 2020 and FY 2021, respectively.

Budget Support Act – Subtitle VII-D

As introduced, the Budget Support Act contains Subtitle VII-D entitled "District Unemployment Fund Funding." The Chairman referred this subtitle only to the Committee of the Whole and did not respond to Councilmember Silverman's March 23, 2022, memo requesting re-referral of this subtitle with comments from the Committee on Labor and Workforce Development. Notwithstanding the lack of a formal referral, the Committee recommends striking this subtitle because it is not necessary at this time, as described in further detail below.

This proposed subtitle would direct up to $113 million to the UITF from funds that may be available in the FY 2022 General Fund surplus. Under existing D.C. Official Code § 47-392.02(j-5), the uncommitted and unrestricted year-end General Fund surplus is equally divided between the Housing Production Trust Fund and a Pay-As-You-Go Capital contribution to the Capital Improvements Fund. This subtitle would amend D.C. Official Code § 47-392.02(j-5) with respect to FY 2022 only, by transferring the first $113 million of the FY 2022 surplus to the UITF. Following this transfer, any remaining FY 2022 surplus would be equally divided between HPTF and Pay-Go.

Director Morris-Hughes testified in support of the proposed subtitle during the Committee's hearing on the FY23 budget of DOES. She stated in relevant part:

> The FY23 Budget Support Act also includes an important proposal to transfer $113 million from the FY22 year-end surplus to the District's Unemployment Trust Fund. The transfer is necessary to ensure the continued solvency of the Unemployment Trust Fund. Through careful stewardship, the District's Unemployment Trust Fund was able to continue

> to pay out benefits throughout the COVID-19 pandemic. The District must ensure that the Fund remains adequately funded to provide crucial resources to District residents in the event of another, future emergency.

To evaluate the case for transferring an additional $113 million in District funds to the UITF, it is necessary to consider the background of this proposal. The UITF is technically a separate account within the federal unemployment insurance (UI) trust fund, which is held by the U.S. Treasury and includes a separate account for every state.

As part of the FY 2022 budget, the District transferred $49 million to the UITF from the Universal Paid Leave Fund. As of September 30, 2021, the District's UITF had approximately $50.0 million of cash held with the U.S. Treasury and a total net position of approximately $34.7 million, according to the UITF's audited financial statements for FY 2021.

According to more recent reports from the U.S. Treasury, the UITF held approximately $90.4 million in cash as of April 1, 2022. This higher cash balance includes $49 million transferred from the UPL Fund and deposited into the UITF in October 2021, but the deposit did not improve the UITF's net position because it had been anticipated as an asset in the UITF's financial statements for FY 2021.

The major reason given for the proposed subtitle is "to ensure the continued solvency" of the UITF. In the context of state UI trust funds, the term "solvency" has a meaning that varies from a strict accounting definition. Importantly, a lack of solvency does not mean an inability to pay UI benefits to claimants, because states and the District may borrow unlimited amounts from the federal Treasury as needed to pay UI benefits. Instead, "solvency" in this context means that a state's UI trust fund balance is sufficient to pay UI benefits in the event of a future recession, *without* incurring a federal loan.

As explained by the U.S. Department of Labor (DOL) in its annual trust fund solvency report, "The dollar amount in the state trust fund is not a very useful measure of state solvency since no comparison is made to the fund's benefit liabilities or state size."[65] DOL calculates the "solvency level" of each state's UI trust fund and recommends a solvency level of at least 1.0 to prepare for another recession.[66]

DOL's recommended solvency level is not a requirement. Twenty states have not met the recommended solvency level at any time since 2008—including eight states that have not met the level since the 1970s. When a state has failed to meet the solvency level

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[65] See DOL's 2022 solvency report, available at https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2022.pdf.

[66] The solvency level is calculated as the "reserve ratio" divided by the "average high cost multiple." The reserve ratio equals the trust fund balance divided by total wages. The average high cost multiple is based on the "benefit cost rate," which equals the total UI benefits paid divided by the total wages paid. Because the benefit cost rate is much higher during a recession that causes widespread job losses and UI benefit claims, DOL averages the three highest annual benefit cost rates observed over a 20-year period to calculate a recession-oriented benefit cost rate that is called the "average high cost multiple."

within the prior five years, the state is not eligible for interest-free federal UI loans (except for "cash flow" loans that are incurred after January 1 and repaid in full by September 30 of the same year). The availability of interest-free loans is a modest incentive for states to meet the recommended solvency level, but the savings from future interest-free UI loans generally will not justify the cost of directing large amounts of money to a state's UI trust fund.

In contrast, the consequences are more significant for states that chronically maintain an outstanding balance of federal UI loans. Once a state has a federal loan outstanding for approximately two years or more, employers within the state gradually lose a credit against federal payroll tax, causing the effective federal payroll tax rate to increase.[67]

Further, District law imposes consequences in the form of a payroll tax surcharge to enable the UITF to pay interest on a federal UI loan. In any year when the UITF accrues interest on a federal UI loan, a 1% surcharge is imposed in addition to the District's state unemployment insurance (SUI) tax.

As a policy matter, the Committee desires to avoid incurring a federal UI loan in the absence of dire circumstances that are presently not foreseen. Under current economic projections, the Committee believes there is an acceptably low risk that the UITF will need such extraordinary support—despite the substantial depletion of the UITF fund balance during FY 2020, when the UITF ran a deficit of $426.5 million.

Yet transferring $113 million to the UITF would not be adequate to prepare the fund for the next recession. By the rough calculation of Committee staff, an additional $113 million in the UITF would have increased the solvency level (as of January 1, 2022) from 0.19 to 0.42—still well below the DOL recommended level of 1.0. Increasing the fund balance of the UITF is both a long-term project and a worthwhile goal, but it does not deserve a coveted place ahead of every other possible use of the FY 2022 General Fund surplus, which cannot be certified until February 1, 2023.

Moreover, the Committee observes that the FY 2022 General Fund surplus is, for the time being, an uncertifiable source of funds. Other certified resources—including ARPA funds, which some states have used to bolster their UI trust fund balances—are not proposed to be transferred to the UITF as part of the FY 2023 budget. The Committee interprets this choice as a signal that UITF funding is a lower-ranking priority than the items that are funded directly in the Mayor's proposed budget.

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[67] Payroll taxes under the Federal Unemployment Tax Act (FUTA) are levied at a rate of 6.0%, but offset by a tax credit of 5.4%, leaving an effective FUTA rate of 0.6%. When a state's UI trust fund has an outstanding federal loan balance on January 1 of two consecutive years and the loan remains outstanding on November 10 of the second year, the tax credit is reduced in increments of 0.3% (30 basis points) per year. Because the FUTA tax is levied only on the first $7,000 of each employee's annual compensation, the 0.6% FUTA tax costs $42 per employee per year, and each 0.3% increment adds $21 per employee per year.

The Committee concludes that the prudent course of action is to strike the proposed subtitle from the FY 2023 Budget Support Act. A legislative decision to transfer funds from the FY 2022 surplus to the UITF can be deferred until January 2023 or even later (since ARPA funds remain available until FY 2024), and time may clarify the wisdom or folly of the options. In the meantime, the Committee may also wish to consider substantial legislative changes to the structure of the District's SUI tax, which could have the effect of accelerating the gradual growth of the UITF fund balance while also achieving other important policy goals.

Lastly, the Committee acknowledges the importance of careful stewardship of the UITF but respectfully believes that this principle urgently demands administrative improvements to the UI system, particularly its information technology infrastructure. Throughout the pandemic, Committee members have heard from constituents who find the stress of losing one's job to be compounded by intense frustrations in obtaining timely resolutions to their applications for UI benefits. Despite some hard work on the part of DOES staff, the agency struggled to implement a host of new federal and District programs for claimants and employers participating in the UI system—often due to dependence on the obsolete technological foundation for running the UI program. Further, during the FY 2021 audit process the District's independent auditors delivered a management letter to DOES bringing attention to a lack of risk assessments on the antiquated systems used for administering UI benefits and taxes. To their credit, DOES management concurred with the auditor's findings and responded by pointing out an ongoing effort to replace these systems with a complete modernization of the UI technology infrastructure in FY 2023. The Committee fully supports the UI modernization project, which began over a decade ago and cannot be completed soon enough. Perhaps more than anything else, a robust and adaptable technology system will prepare the District to meet the needs of workers who will seek unemployment benefits during the next recession, whenever it may arrive.

3. FY 2023-2028 Capital Budget

The UI Fund has no proposed capital budget for FY 2023-2028.

4. Summary of Committee Recommendations

a. Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approving the UI Trust Fund's FY 2023 budget as proposed.

J. UNIVERSAL PAID LEAVE FUND (UL0)

1. AGENCY MISSION AND OVERVIEW

The mission of the Universal Paid Leave agency (UPL) is to provide paid-leave benefits under the Universal Paid Leave Act (UPLA) to private employees in the District for up to eight weeks of parental leave, six weeks of family leave, and six weeks of medical leave for every fifty-two weeks worked, thereby contributing to and increasing the quality of life in the Washington, DC, metropolitan area. This is a new agency created in the FY2021 budget.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type						
Fund Type	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
Enterprise and Other Funds	$190,786,608	$339,675,879	$115,360,181	$0	$115,360,181	-66%
Gross Funds	$190,786,608	$339,675,879	$115,360,181	$0	$115,360,181	**-66%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type						
Fund Type	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
Enterprise	0	0	0	0	0	N/A
Total	**0**	**0**	**0**	**0**	**0**	**N/A**

Fiscal Year 2023 Operating Budget, By Program and Activity (Gross Funds)						
Program	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
6000 Universal Paid Family Leave Fund	$190,786,608	$339,675,879	$115,360,181	$0	$115,360,181	-66%
Total	$190,786,608	$339,675,879	$115,360,181	$0	$115,360,181	-66%

Committee Analysis and Recommendations

a. Budget Analysis

1. Reduce FY2022 budget for benefits and administration to align with OCFO certification and funding sweeps by Mayor

A new analysis by the Office of the Chief Financial Officer (OCFO), required by the Committee in the FY2022 Budget Support Act, provides important budgetary guidance for the PFL fund. Following the first year of operation of the paid leave program, when claims were low and a $400 million surplus was swept by the Mayor, the FY2022 BSA subtitle required OCFO to analyze the actual costs of the program on an annual basis and to analyze potential benefit expansions and associated employer contribution reductions. In its first analysis, OCFO certified that the program can be expanded as of July 1, 2022, to provide up to 12 weeks of paid leave per year for each purpose of the leave (parental, family, medical), while also reducing the employer contribution rate from 0.62% to 0.26%.[68]The Committee recommends the Council make the following technical and substantive changes to the PFL Fund budget, and makes the following comments:

While the Mayor's FY2023 budget proposal reflects this new analysis and the associated BSA subtitle in this year's budget codifies the 12-week expansion and contribution rate for FY2023 (see Section IV.B.2), the budget proposal did not have the correct budget amounts for either the benefit levels or administrative costs in either FY2022 or FY2023, considering the simultaneous sweep, or transfer to local funds, by the Mayor of more than $400 million in surplus funds, including $15.2 million slated for OPFL administrative costs in FY2022. The administrative costs proposed violate the UPLA statute's cap, which allows for administrative costs of up to 10 percent of the UPL fund; OCFO determines that amount to be made up of the reserve plus revenues over the course of the year. The Mayor could have amended the administrative budget through a reprogramming or through the Fiscal Year 2022 Revised Local Budget Emergency Act of 2022 ("first Supplemental") or Fiscal year 2022 Second Revised Local Budget Emergency Act of 2022 ("second Supplemental").

The Committee has worked with the Council budget office to bring attention to this problem and work towards correction at the full Council level.

2. Right-size FY2023 budget to projected costs of benefits and administration, in line with OCFO certification and funding sweeps by Mayor

The FY2023 proposed budget represents a sizable decrease (down 66%) in funding compared with prior years. However, this is due to the OCFO analysis discussed above, which certified that benefits may be expanded while the contribution rate is reduced. As many fewer resources are necessary, budget authority is significantly lower for FY2023 than FY2022. Also, given that the Mayor swept approximately $420 million over the 4-year financial plan, to convert the funds to local funds and use for other, non-delineated purposes, the fund balance used to determine the appropriate administrative costs cap is significantly lower.

OCFO's analysis and certification is as follows, and the benefit levels for FY2023 in the Mayor's proposed budget ($81 million) are too low (OCFO projects $117 million), while the proposed administrative costs ($34 million) are too high compared with OCFO's projections ($16.7 million). See chart below, provided by OCFO.

[68] Office of the Chief Financial Officer, Letter to Mayor Bowser and Chairman Mendelson, RE: Projected Annual Revenues and Expenditures for the Universal Paid Leave Fund, March 1, 2022.

The Committee has worked with the Council budget office to bring attention to this problem and work towards correction at the full Council level.

Universal Paid Leave Fund March 2022 Certification Summary $ in 000s					
	FY 2022	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Starting Fund Balance[a]	$285,423				
Revenues at Current Tax Rate (0.62%)	$324,537	$347,904	$369,091	$390,628	$399,039
Benefits Expenditures at Current Law Benefit Levels[b]	($59,304)	($57,068)	($60,455)	($63,949)	($67,462)
Administration Expenses	($15,199)	($16,719)	($17,221)	($17,737)	($18,269)
Required Reserve (9 months of next year's benefits)	($42,801)	($2,541)	($2,620)	($2,635)	($1,518)
Annual Surplus Under Current Law	**$492,656**	**$271,576**	**$288,795**	**$306,306**	**$311,790**
Cost of Expanding to 12 Weeks (7/1/2022 start)	($7,163)	($60,574)	($65,797)	($69,687)	($73,409)
Additional Reserve Required	($45,430)	($3,918)	($2,917)	($2,792)	($2,753)
Surplus with Expanded Benefits	**$440,063**	**$207,085**	**$220,081**	**$233,828**	**$235,628**
Revenue reduction with tax rate lowered to 0.26% (7/1/22 start)	($47,110)	($202,001)	($214,311)	($226,815)	($231,700)
Surplus at lowered tax rate with Expanded Benefits	**$392,953**	**$5,076**	**$5,769**	**$7,012**	**$3,927**

EOM Policy Proposals					
Delay 12 weeks benefits to Oct 1 2022	$7,163				
Transfer to Local (see BSA)		($404,692)	($5,270)	($6,512)	($3,428)
Surplus Remaining (reserved for FY23)	$400,116				
Surplus Remaining		$500	$499	$500	$499
Budget for Benefits	$66,467	$117,642	$126,252	$133,636	$140,871
Budget for Admin	$15,199	$16,719	$17,221	$17,737	$18,269
Final costs	**$81,666**	**$134,361**	**$143,473**	**$151,373**	**$159,140**

3. FY 2023-2028 Capital Budget

Universal Paid Leave Fund has no capital budget for FY 2023-2028.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approving the FY2023 budget as proposed by the Mayor, however the committee recommends the Council makes the adjustments to align with the OCFO certification of budget authority and cost projections.

Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
1000 - UNIVERSAL PAID LEAVE	6000 - UNIVERSAL PAID FAMILY LEAVE FUND	0050 - SUBSIDIES AND TRANSFERS	One Time	7,163,000		July 1, 2022 start for expand benefits to 12 weeks.
1000 - UNIVERSAL PAID LEAVE	6000 - UNIVERSAL PAID FAMILY LEAVE FUND	0050 - SUBSIDIES AND TRANSFERS	One Time	250,000		

K. WORKFORCE INVESTMENTS (UP0)

1. AGENCY MISSION AND OVERVIEW

The mission of Workforce Investments is to fund compensation increases for nonunion and union District employees and any costs of reform initiatives.

2. FISCAL YEAR 2023 OPERATING BUDGET

Fiscal Year 2023 Operating Budget, By Revenue Type						
Fund Type	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
Local	$0	$72,449,250	$64,175,904	0	$64,175,904	-11%
Gross Funds	**$0**	**$72,449,250**	**$64,175,904**	**0**	**$64,175,904**	**-11%**

Fiscal Year 2023 Full-Time Equivalents, By Revenue Type						
Fund Type	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
Local	0	0	0	0	0	0
Gross Funds	0	0	0	0	0	0

Fiscal Year 2023 Operating Budget, By Program (Gross Funds)						
Program	***FY 2021 Actual***	***FY 2022 Approved***	***FY 2023 Proposed***	***Sum of Committee Variance***	***FY2023 Committee Approved***	***% Growth over FY2022***
1000 Workforce Investments	$0	$72,449,250	$64,175,904	0	$64,175,904	-11%
Total	$0	$72,449,250	$64,175,904	0	$64,175,904	-11%

Committee Analysis and Recommendations

The Committee notes several changes to the current FY2022 budget. In addition to the $74.449 million approved for the FY2022 budget, the FY2022 budget also contains $20.504 million that was rolled forward from FY2021, according to information provided to the Committee from the Office of the Chief Financial Officer, bringing the total resources available as of March 23, 2022, to $92.562 million. Additionally, the Fiscal Year 2022 Second Revised Local Budget Emergency Act of 2022 (FY22 second supplemental, B24-719) proposed by the Mayor would add $61.281 million to the Workforce Investments Account for FY2022.

For FY2023, the Mayor has proposed a budget of $64.175 million.

The Workforce Investment Funds' uses are not known to the Committee until after they occur. However, it is likely that a significant portion of resources in FY2022 will be used to fund a recently finalized collective bargaining agreement with Compensation Units 1 and 2. The Executive submitted the contract to Council for review on March 21, 2022, and it will deem approved on May 14, 2022, at which time the negotiated salary increases may be implemented. The contract will cover approximately 9,000 employees at dozens of agencies, and the estimated fiscal impact to be covered by Workforce Investments is $23.935 million in FY2023 and $91.330 total million over the FY2022-FY2026 period.

Other significant contracts currently under negotiation which may necessitate funds from the WIF in FY2022 or FY2023 include the contract with the DC Police Union, the latest contract for which expired at the end of FY2020; the Washington Teachers Union, the latest contract for which expired at the end of FY2019; the International Association of Firefighters, the latest contract for which expired at the end of FY2020; and many other contracts that expired in the last several years and must be renegotiated.

a. Budget Recommendations

The Committee recommends approval of the Mayor's FY2023 proposed budget and FY2022 supplemental budget.

3. FY 2023-2028 CAPITAL BUDGET

Workforce Investments has no capital budget for FY 2023-2028.

4. SUMMARY OF COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2023 Operating Budget Recommendations

The Committee recommends approval of the Workforce Investments Fund FY2023 budget as proposed by the Mayor.

L. WORKFORCE INVESTMENT COUNCIL (PART OF GW0, DEPUTY MAYOR FOR EDUCATION)

1. AGENCY MISSION AND OVERVIEW

The Workforce Investment Council (WIC) provides strategic guidance, coordination, and oversight of the District's workforce development system, including the federal Workforce Innovation and Opportunity Act (WIOA). The WIC's budget is housed within the budget of the Deputy Mayor for Education. The WIC is led by a Board, for which membership requirements are laid out in WIOA and District law. Board members are appointed by the Mayor. The Board serves as both the State Workforce Development Board and Local Workforce Development Board, as defined by WIOA, which involve oversight, accountability, and operational responsibilities, such as development of strategies and policies, dissemination of information, review and evaluation of programs, operational input, technical assistance, and recommendations on the District's workforce development system.[69]

2. FISCAL YEAR 2023 OPERATING BUDGET

Office of the Deputy Mayor for Education					
3000 - WORKFORCE INVESTMENT					
3012 - WORKFORCE INVESTMENT	$21,626,111	$3,959,542	$18,300,541	$22,260,083	2.93%
3013 - WORKFORCE INVESTMENT COUNCIL	$185,970	$36,000	$0	$36,000	(80.64%)
TOTAL PROGRAM FUNDS	**$21,812,081**	**$3,995,542**	**$18,300,541**	**$22,296,083**	**2.22%**
TOTAL AGENCY FUNDS	**$21,812,081**	**$3,995,542**	**$18,300,541**	**$22,296,083**	**2.22%**

[69] Workforce Innovation and Opportunity Act, Title 32 USC Section 3111 defines state boards, Title 32 USC 3122 defines local boards. The WIC is established and assigned responsibility to carry out functions of both state and local boards under WIOA in D.C. Office Code § 32–1603(a).

Committee Analysis and Recommendations

a. Budget Analysis and Recommendations

1. ***Reallocate ARPA funds from Deputy Mayor for Education budget and plan for project-level budgets***

Beginning in FY2022, the WIC had more than $16 million in American Rescue Plan Act funds to utilize for several projects. These included WIC initiatives as well as Committee-funded projects. In FY2023, the Mayor's proposed budget for every agency did not allocate the ARPA funds by program and activity, as budgeting is normally done. Rather, the Mayor proposed a new "District Recovery Plan" program in each agency that contains all or most of the agency's ARPA funding. Because the WIC's budget technically resides with the budget of the Deputy Mayor for Education (DME), none of the WIC's ARPA funds appear in the WIC's budget. As such, the Committee cannot technically allocate these funds without a transfer of such funds from the Committee of the Whole, which has jurisdiction over the main DME budget. The COW explained to the Committee that this is not possible because they are not technically separate agencies and recommended the Committee make allocation recommendations for the COW's consideration. While the Committee does not understand the logistical point preventing a transfer, the Committee makes the following comments and recommendations.

The WIC has 4 ARPA-funded projects starting in FY2022 and planned to continue at least until FY2023. The two WIC initiatives are Career Coaches ($4.5 million a year for two years) and Employer Partnership grants ($6.6 million a year for two years). The two Committee initiatives were created in the FY2022 Budget Support Act: the Community IT Training and Advisory Board Establishment Act ($3 million in FY2022, $2.5 million FY2023, and $675,000 in FY2024) and the DC Nurse Education Enhancement Program ($2.2 million in FY2022, $1.8 million in FY2023, and $1.8 million in FY2024). The latter two projects entail two components: 1) funds for the University of the District of Columbia Community College to fund educational offerings and stipends and 2) funds for grants to community-based training providers to offer occupational training leading to credentials.

All four projects are facing underspending in FY2022 based on approved budgets. The WIC has requested that some of the unspent funds be rolled forward into FY2023. Specifically, the WIC will underspend $43,000 in career coaches, $1.97 million in employer partnerships, $663,000 in IT training grants, and $66,000 in home health/CNA grants.

Additionally, $1.765 million was reprogrammed within the agency, including reducing the following grants: $285,000 from IT community training grants, $237,000 from nursing community training grants, $246,000 from employer partnership grants, and $1 million from career coaches. Most of these funds were used to enhance an IT system the WIC uses for managing its grants and tracking its participants, called Data Vault.

The Committee would like to see the WIC provide more funding to training providers and other entities that will help District residents obtain occupational training and credentials. The Committee is particularly disappointed that the Request for Applications offered significantly less funding for the community grants than the Committee provided: While the Committee budgeted for $1.9 million in IT grants, the RFA only provides for $1 million; on the health care side, the Committee budgeted for $900,000 but the RFA only provides for $660,000. However, the Committee is hopeful that given the lateness in the year in which the RFA was issued, more funding will be spent and available for grantees in FY2023 (though not the funds that were reprogrammed to other purposes)

In FY2022, the WIC had a total ARPA approved budget of $16.9 million. The WIC has proposed to reduce the FY2022 budget to $13.5 million. The Committee recommends reducing the FY2022 budget in line with the WIC's underspending, as provided by the WIC, as follows. This reflects the underspending amounts noted above.

Recommended WIC reductions for FY2022, based on planned underspending

OBJ CLASS		Change to FY22
11	Salary	($72,245)
14	Fringe	($14,810)
41	Contracts	($199,500)
50	Grants	($2,529,108)

For FY2023, the Committee recommends allocating the WIC budget as follows. While the official budget does not contain project-level budget amounts, the Committee believes it is important to budget by project and allocate accordingly. The Committee does not support rolling forward the underspent funds from Career Coaches or Employer Partnerships.

Furthermore, while the Committee would like to put as much funding as possible into the UDC and grant programs for IT and healthcare, there are capacity limitations in terms of available providers and seats at such providers. Both the WIC and Committee will know more about the exact limits following the first year of grantmaking, which is only getting underway. As such, the Committee is operating with imperfect information. The following amounts represent a 50% increase over the previously planned FY2023 amounts for the IT and healthcare community grants projects, and flat funding for the UDC MOUs, Career Coaches, and Employer Partnerships after underspending is removed. The Committee fully intends to fund the grants and UDC support in the FY2024 budget through that budget formulation next year. The Committee hopes that by then, it will have the information it needs on the ongoing programs to make smart decisions about appropriate funding levels and vehicles.

WIC ARPA-Funded projects, prior approved budget and new recommended budget for FY2023

Project	Project piece	FY22 LWD approved $	FY23 LWD approved $ in FY2022	FY23 New Committee Allocation
TOTAL		**$16.9m**	**$16m**	**$21m total $17.7m ARPA $3.3m local**
IT	***Total***	**$2.97m**	**$2.536m**	**$6m**
	UDC MOU	$875,000	$540,000	$540,000
	Community training grants	$1.875k	$1.875m	$2.75m
	FTE plus consulting	$220,000	$120,000	$425,000
Health care (CNA/Home Health Aide)	***Total***	**$2.2m**	**$1.772**	**$3.5m**
	UDC MOU	$1.2m	$750,000	$750,000
	UDC Faculty *(local $)*			$980,000
	Community training grants	$900,000	$900,000	$1.35m
	FTEs, other	$120,000	$120,000	$400,000
Career Coaches	***Total***	**$4.563m**	**$4.563m**	**$4.6m**
	CC contract	$4.5m	$4.5m	$3.5m
	CC FTE, other	$90,000	$90,000	$1.1m
Employer Partnerships	***Total***	**$6.6m**	**$6.6m**	**$6.6m**
	Training	$6.4m	$6.4m	
	FTE	$200,000	$200,000	

2. ***Fund additional faculty at UDC for nursing career pathway ($980,000 local recurring)***

The Committee's FY2022 investments in the IT and nursing career pathways included funds for expansion of classes at the University of the District of Columbia's community college and Workforce Development and Lifelong Learning Program WDLL). In FY2023, the Committee recommends expanding this investment to provide local, recurring funds to allow UDC to hire full-time faculty to permanently expand the nursing and healthcare pathway, as well as to purchase necessary software and instructional materials. This funding is included in the WIC's budget for the WIC to include in its FY2023 MOU with UDC. The Committee is also including a Budget Support Act subtitle to reflect additional faculty.

The UDC faculty hiring plan is as follows:

UDC Nursing Program Faculties

- Tenure-track Faculty, RN to BSN Online (Van Ness, 2 positions)
- Tenure-track Faculty, AASN and LPN [in-process] (UDC-CC, 2 positions)
  - o 4 positions x $85,000 (salary) + $22,100 (fringes x 4) = $428,400
- NTT Instructors/Nurse Educators, CNA (WDLL, 2 positions)
  - o 2 positions x $80,000 (salary) + 20,800 (fringes x 2) = $201,600
- $50,000 for instructional materials x 3 units = $150,000
- $50,000 for software/training x 2 (WDLL & RN to BSN)= $100,000
- $100,00 for software/training (UDCCC, AASN & LPN) = $100,000

Item	Description	FTEs	PS	NPS	Total
Personnel/Tenure Track	Faculty salaries and fringe benefits	4.0	$428,400		**$428,400**
Personel/NTT	Instructor /Nurse Educators salaries and fringe benefits	2.0	$201,600		**$201,600**
Supplies	Instructional Materials			$150,000	**$150,000**
Software/Licenses	Speciality software for curriculum development and training			$200,000	**$200,000**
	TOTAL	**6.0**	**$630,000**	**$350,000**	**$980,000**

b. Policy Recommendations

1. Ensure that the development and implementation of the WIOA State Plan is Board led.

The Committee on Labor and Workforce Development continues to track the development and implementation of the WIOA State Plan. Under the Workforce Innovation and Opportunity Act (WIOA) of 2014, the District is required to submit a State Plan to the Secretary of the Department of Labor that will outline a 4-year strategy of how workforce development systems will achieve the purposes of WIOA.[70] This plan will communicate the District's vision for its workforce system and will "serve as a vehicle for aligning and integrating the State workforce system across Federal programs."[71] Furthermore, states were required to submit a four-year State Plan for Federal review and approval in March 2020.[72] The District also had to complete a two-year review and submit a modification to its State Plans in early 2022.[73]

The Committee on Labor and Workforce Development is pleased that the WIC has taken important steps towards integrating appropriate stakeholders into the WIOA State Plan Modification. Stakeholders have included businesses, representatives of labor organizations, institutions of higher education, etc. It is the opinion of this Committee that

[70] Workforce Investment Council, "DC WIOA Unified State Plan", February 28, 2022, available at https://dcworks.dc.gov/wioa-state-plan
[71] Ibid
[72] Ibid
[73]Ibid

such collaboration with stakeholders increases the transparency and overall quality of the potential State Plan. Even so, this Committee strongly encourages the WIC to ensure that the development and implementation of the WIOA State Plan is Board-led. This recommendation does not imply that collaboration with non-Board stakeholders should be avoided, but rather emphasizes that the WIC should enable its Board Members to take on a centralized role in the development and implementation of the State Plan.

2. Develop an operation plan to implement the WIOA State Plan.

This Committee is aware of the WIC's usage of WIOA working groups to ensure that implementation is as efficient and precise as possible.[74] The groups are comprised of representatives from various District agencies, WIC board members, and numerous stakeholders within the community.[75] These groups meet monthly, and their suggestions are shared with the Administration and Implementation Group, both of which includes District workforce system leaders.[76] The groups are tasked with making recommendations to the WIC Board on policy that is compliant with WIOA and would help the District achieve the goals laid out in the State Plan.[77]

The committee strongly encourages the WIC to develop a written operational plan to implement the WIOA State Plan. While there have been summaries of the work done thus far, this Committee recommends that the WIC strategize and outline specific steps that will ultimately lead to the implementation of the State Plan. This should include an updated list of tasks that need to be completed, an accurate projected timetable of implementation, and a report detailing exactly how implementation shall occur.

3. Continue to fill in data reporting gaps in the Expenditure Guide.

The WIC is tasked with preparation of a report outlining information on all workforce development and adult education spending by the District. The Council and public have sought this information for years in order to understand how funds are spent, what services are offered, who is being served, and the outcomes of our public investments. The WIC must collect this information from the agencies offering such programs and compile it into an annual report. Unfortunately, the WIC has had difficulty obtaining all the information necessary.

The Workforce Development System Expenditure Guide is required by L22-0095, the Workforce Development System Transparency Act. The first annual report was due on Feb. 1, 2019, covering seven agencies that are most central to the public workforce

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[74] Workforce Investment Council, Executive Director's Report Updates for the Board. July 15, 2021.
[75] WIC, "WIOA Working Groups", available at https://dcworks.dc.gov/page/wioa-working-groups#:~:text=WIOA%20Working%20Groups%20The%20WIC%20works%20closely%20with,input%20on%20pertinent%20topics%20related%20to%20WIOA%20implementation.
[76] Ibid
[77] Ibid

system.[78] It was delivered to the Council in September 2019.[79] While the Committee appreciates the amount of work that went into its preparation, it was missing such a large amount of information that made it largely unusable for analysis of individual programs and the system as a whole.[80]

In the time since, the Committee on Labor and Workforce Development is pleased with the progress the WIC has made in implementing the Expenditure Guide. While there have been previous areas of concern, the WIC has made tremendous strides toward improvement. This Committee commends the WIC for its collaborative spirit, not only with the staff of this committee, but with participating agencies as they sought to "gain insight about opportunities to improve the data collection, data review, information dissemination, and reporting process."[81] That being the case, the WIC should continue filling the data gaps and providing other missing information. Gaps in data include programs being excluded, a portion of performance results data not being reported (the guide stated "data not available" or "data not captured"), results not being reported for individual vendors, and inconsistent data points (such as absolute numbers for some programs and percentages for others). Additionally, the WIC should also continue to improve the overall data reporting process. An example of the WIC's improvement in this area can be demonstrated through their creation of a guidance document for agencies to help them complete their contributions of information to the report.

4. ***Empower DC workers to take their fair share of the green economy by developing a roadmap and gap assessment***

The Committee recommends the WIC develop a detailed roadmap and gap assessment to ensure that DC residents can obtain and thrive in jobs where they will install and repair renewable energy systems; build and manage energy-efficient buildings with tankless water heaters, high-efficiency heating and cooling systems, and green roofs and landscaping; inspect and retrofit existing facilities to make them eco-friendlier, including converting buildings and appliances from gas to electric energy sources; service electric vehicles; remediate lead pipes and paint; create infrastructure to reduce and convert waste; and repair and install microgrid interfaces and other sophisticated power grid infrastructure.

Aggressive action is necessary to reduce DC's contribution to climate change. The DC Council is evaluating multiple proposals to require new private and public buildings to

[78] One of the agencies, the Deputy Mayor for Greater Economic Opportunity, no longer exists.
[79] WIC, "Workforce Development System Expenditure Guide," Sept. 13, 2019, available at https://dcworks.dc.gov/publication/workforce-development-system-expenditure-guide
[80] Stephen Berry, "Testimony of Stephen Berry, DC Appleseed Center for Law and Justice before the Council of the District of Columbia Committee on Labor and Workforce Development," Public Oversight hearing of the Committee on Labor and Workforce Development: "A Review of the Department of Employment Services' Workforce Development Programs: Project Empowerment and Career Connections," November 21, 2019, Hearing record page 5, available at https://lims.dccouncil.us/downloads/LIMS/44214/Hearing_Record/HR23-0132-HearingRecord.pdf
[81] Workforce Investment Council, Responses to Fiscal Year 2021-2022 Performance Oversight Questions, Question 43b.

comply with net zero energy standards—that is, to use less power each year than they can produce through onsite renewables or procure from new renewables. But if DC workers lack the skills to build these buildings, then developers either will have to either hire from out of state or will be unable to comply at all. Conversely, if DC acts now to position our students and adult workers on the green cutting edge of classic trades, we will help ensure a safer and more comfortable local environment for them and for future generations.

The WIC has the expertise to help make that vision of an inclusive green future real. The WIC can tap into its network of construction, information technology, automotive, and infrastructure employers, who can build a wish list of skills that the ideal green workforce will need in 2, 5, 10, and 15 years. Then the WIC can work with UDC, DCIA, DCPS, and other education and training partners, and ask tough questions about gaps in existing programming. The DC government currently supports cohorts of solar system installation trainees. But what about geothermal systems? What about emissions testers? What resources would today's DCPS middle schoolers need to have available if we want them to thrive in green trades and professions? Are they there? And if not, what investments of local and federal taxpayer supports can we make now to bridge the gaps? These are life-and-death questions, and the Committee needs the WIC's assistance answering them.

The DC government will also play a major role in these dynamics as an employer of school forepersons, inspectors, engineers, and other workers, plus as a procurer of design and construction work and a major consumer of electricity. The Committee strongly encourages a whole-of-government approach to examining and enhancing our green workforce development system, and stands ready to assist the WIC in accessing DC agencies' expertise.

The Committee offers the following immediate possibilities as starting points for what the Committee hopes will be a year of robust inquiry and of developing precise, actionable recommendations for the Council and Mayor:

- Invest in expanded green job training at DCIA. The only training option is their Solar works program. The demand is there and growing so new establishing new partnerships for green job training should be prioritized.

- In FY21 the Committee recommend the *DC Infrastructure Academy Employer Engagement Act of 2020* that established business-led industry advisory boards (IABs) to recommend course offerings at DCIA for jobs that are in demand and have opportunity for growth. DCIA could continue using these committees and expand to have a committee that creates employer-customized training for green jobs.

- High schools and CTE could institute green job pathways for high school students. Students could graduate with certifications and training ready to enter a job that pays a living wage. DOEE has already partnered with

Anacostia High School for project-based learning; this partnership could serve as a model.

3. FY 2023-2028 Capital Budget

The WIC has no proposed capital budget for FY 2023-2028

4. Summary of Committee Recommendations

a. Fiscal Year 2023 Operating Budget Recommendations

Fund Type	Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0011 - REGULAR PAY - CONT FULL TIME	One Time	(72,245)		Reduction suggested by WIC staff due to underspending.
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0014 - FRINGE BENEFITS - CURR PERSONNEL	One Time	(14,810)		Reduction suggested by WIC staff due to underspending.
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0041 - CONTRACTUAL SERVICES - OTHER	One Time	(199,500)		Reduction suggested by WIC staff due to underspending.
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0050 - SUBSIDIES AND TRANSFERS	One Time	(2,529,108)		Reduction suggested by WIC staff due to underspending.
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0011 - REGULAR PAY - CONT FULL TIME	One Time		228,175	ARPA allocation to Career Coaches
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0014 - FRINGE BENEFITS - CURR PERSONNEL	One Time		46,776	ARPA allocation to Career Coaches

Fund Type	Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0020 - SUPPLIES AND MATERIALS	One Time		600	ARPA allocation to Career Coaches
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0040 - OTHER SERVICES AND CHARGES	One Time		2,000	ARPA allocation to Career Coaches
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0041 - CONTRACTUAL SERVICES - OTHER	One Time		850,000	ARPA allocation to Career Coaches
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		3,466,867	ARPA allocation to Career Coaches
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0070 - EQUIPMENT & EQUIPMENT RENTAL	One Time		12,109	ARPA allocation to Career Coaches
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0011 - REGULAR PAY - CONT FULL TIME	One Time		172,154	ARPA allocation to Employer Partnership
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0014 - FRINGE BENEFITS - CURR PERSONNEL	One Time		35,292	ARPA allocation to Employer Partnership
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0020 - SUPPLIES AND MATERIALS	One Time		600	ARPA allocation to Employer Partnership
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0040 - OTHER SERVICES AND CHARGES	One Time		2,000	ARPA allocation to Employer Partnership

Fund Type	Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0041 - CONTRACTUAL SERVICES - OTHER	One Time		286,000	ARPA allocation to Employer Partnership
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		6,054,479	ARPA allocation to Employer Partnership
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0070 - EQUIPMENT & EQUIPMENT RENTAL	One Time		12,109	ARPA allocation to Employer Partnership
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0011 - REGULAR PAY - CONT FULL TIME	Recurring		106,700	ARPA allocation to IT Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0014 - FRINGE BENEFITS - CURR PERSONNEL	Recurring		21,874	ARPA allocation to IT Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0020 - SUPPLIES AND MATERIALS	Recurring		300	ARPA allocation to IT Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0040 - OTHER SERVICES AND CHARGES	Recurring		1,000	ARPA allocation to IT Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0041 - CONTRACTUAL SERVICES - OTHER	Recurring		286,500	ARPA allocation to IT Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		3,315,043	ARPA allocation to IT Training

Fund Type	Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0070 - EQUIPMENT & EQUIPMENT RENTAL	Recurring		9,055	ARPA allocation to IT Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0011 - REGULAR PAY - CONT FULL TIME	One Time		94,650	ARPA allocation to Home Health & CNA Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0014 - FRINGE BENEFITS - CURR PERSONNEL	One Time		19,403	ARPA allocation to Home Health & CNA Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0020 - SUPPLIES AND MATERIALS	One Time		300	ARPA allocation to Home Health & CNA Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0040 - OTHER SERVICES AND CHARGES	One Time		1,000	ARPA allocation to Home Health & CNA Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0041 - CONTRACTUAL SERVICES - OTHER	One Time		286,500	ARPA allocation to Home Health & CNA Training
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0050 - SUBSIDIES AND TRANSFERS	One Time		2,000,000	ARPA allocation to Home Health & CNA Training ($1.35M grants, $750K MOU)
0150 - FEDERAL PAYMENTS	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0070 - EQUIPMENT & EQUIPMENT RENTAL	One Time		9,055	ARPA allocation to Home Health &

Fund Type	Program	Activity	CSG	Recurring or One-Time Change	FY22	FY23	Comments
							CNA Training
0100 - LOCAL FUND	3000 - WORKFORCE INVESTMENT	3012 - WORKFORCE INVESTMENT	0050 - SUBSIDIES AND TRANSFERS	Recurring		980,000	Healthcare faculty at UDC

b. Fiscal Year 2023 Capital Budget Recommendations

The Workforce Investment Council has no capital budget for FY 2023-2028.

c. Policy Recommendations

1. Ensure that the development and implementation of the WIOA State Plan is Board led.
2. Develop an operation plan to implement the WIOA State Plan.
3. Continue to fill in data reporting gaps in the Expenditure Guide.
4. Empower DC workers to take their fair share of the green economy by developing a roadmap and gap assessment

III. TRANSFERS TO OTHER COMMITTEES

In addition to the changes recommended for agencies within its jurisdiction, the committee has worked with other committees to identify funding needs and recommends transfers to support programs in those other committees as described below.

District of Columbia Public Charter Schools (GC0)

The Committee recommends transferring the following amounts to the Committee of the Whole for the District of Columbia Public Charter Schools

A. Increase to UPSFF Adult Student Weight: $908,870 recurring

The Committee recommends providing recurring funds for increasing the adult student weight in the Uniform Per Student Funding Formula (UPSFF). Currently the adult student weight is .89. Adult learners enrolled in DCPS and charter schools need additional resources to receive a strong education and appropriate services to put them on track for graduation and a sustainable career path. A 2013 adequacy study of the UPSFF recommended increasing the weight for adult students to 1.0, but that recommendation has not yet been adopted. To assist the Committee of the Whole in amassing the funds needed to boost the weight to 1.0 or as close as possible, the Committee will contribute $1 million in recurring funds. Based on the DC Public Charter Schools share of adult students, the increase would equate to $908,870 in recurring funds to DC Public Charter Schools.

District of Columbia Public Schools (GA0)

The Committee recommends transferring the following amounts to the Committee of the Whole for the District of Columbia Public Schools

A. Increase to UPSFF Adult Student Weight: $91,130 recurring

The Committee recommends providing recurring funds for increasing the adult student weight in the Uniform Per Student Funding Formula (UPSFF). Currently the adult student weight is .89. Adult learners enrolled in DCPS and charter schools need additional resources to receive a strong education and appropriate services to put them on track for graduation and a sustainable career path. A 2013 adequacy study of the UPSFF recommended increasing the weight for adult students to 1.0, but that recommendation has not yet been adopted. To assist the Committee of the Whole in amassing the funds needed to boost the weight to 1.0 or as close as possible, the Committee will contribute $1 million in recurring funds. Based on the DCPS share of adult students, the increase would equate to $91,130 in recurring funds to DCPS.

NON-DEPARTMENTAL ACCOUNT (DO0)

Funding medical leave for District government employees ($4.365 million recurring)

The Committee recommends transferring to the Committee of the Whole $4.365 million to the Non-Departmental Account to fund 2 weeks of medical leave established for District government employees in a Budget Support Act subtitle. See Chapter IV.B.1 for further discussion.

OFFICE OF THE ATTORNEY GENERAL (CB0)

Funding for sick leave and paid leave enforcement ($288,000 per year, $656,000 total ARPA over 3 years)

The Committee recommends transferring funds to the Judiciary Committee, utilizing ARPA funds, which may be purposed for enforcement of local sick leave and paid family and medical leave, to fund temporary staff at the Office of the Attorney General (OAG). The funds would cover salaries and supplies for 2 staff (one GW-13 and one GS-14) for a period of 27 months. The OAG has focused intensely on combatting violations of workers' rights, and through our existing workers' rights investigations, it has uncovered rampant failure of employers to appropriately grant sick and family leave, especially for workers misclassified as independent contractors and thus denied their legal right to sick leave and paid leave. This funding will allow the OAG to bring on two staff to ensure compliance with the District's local laws offering private sector workers up to 7 paid sick and safe days per year and up to 12 weeks of paid family and medical leave per year.

OFFICE OF VICTIM SERVICES AND JUSTICE GRANTS (FO0)

Funding of Eviction Diversion Coordination ($1.5 million ARPA one-time and $1.5 million recurring)

The Committee recommends transferring the following amounts to the Committee on the Judiciary for the Office of Victim Services and Justice Grants, providing recurring funds for Eviction Diversion Coordination, which the Council established last year as a supplement to the Access to Justice program. Eviction Diversion Coordination has successfully prevented 65 percent of all scheduled evictions since mid-September 2021, including 70 percent of redeemable evictions for non-payment of rent and 44 percent of evictions for other causes. The Committee further recommends one-time funding to seed an expansion of Eviction Diversion Coordination and build on the year-one learnings. These funds will support work to divert evictions earlier in the process by coordinating access to dispute resolution resources, such as legal services, emergency financial assistance, mediation, and social services. The Committee has identified recurring funding in the amount of $1,500,000 and one-time ARPA funding in the amount of $1,500,000 for provision to the DC Bar Foundation for program costs.

THE UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY ACCOUNT (GG0)

The Committee recommends transferring the following amounts to the Committee on the Whole for the University of the District of Columbia Subsidy Account

A. Funding of Research and Design of the Violence Interrupter Career Pathway Program: $500,000 one-time

The Committee recommends providing one-time funds for research into and design of the Violence Interrupter Career Pathway Program. Violence interruption is a community-based approach to reducing violence; treating that violence as a public health problem. Violence Interrupters have become a primary tool used in reducing violent crime in the District of Columbia. The District residents hired as violence interrupters are people who have lived experience and usually come from the neighborhoods they work in. The violence interruption work is mentally and physically exhausting and often poses a personal safety risk to the violence interrupters. Despite this important and exhaustive work, these positions do not provide a clear path to promotion or sustainability. The positions do, however, provide experience in counseling, mediation, and problem-solving. These are all tools that could easily help a violence interrupter transition into a career in behavioral health, social work, criminal and restorative justice, education, public policy development, or many other areas. These funds will allow the University of the District of Columbia to research best practices for creating a career pathway and skill-development credentialing programs for violence interrupters and to design that program for implementation at UDC. The Committee has identified one-time funding in the amount of $500,000 for funding the necessary research, program design, and related costs.

PROVISION FOR THE FISCAL IMPACT OF PENDING LEGISLATION

The Committee recommends transferring the following amounts to the Committee on Business and Economic Development to partially cover the cost of pending legislation.

A. *$2 million in one-time Local funds to provide for a portion of the fiscal impact of pending legislation*

The Committee recommends allocating one-time funds to cover part of the cost of legislation that will allow District residents to obtain or renew a driver's license despite owing outstanding debt to the District. This legislation will temporarily harmonize District law with the law of all but two states, while removing a barrier that prevents some low-income District residents from finding or keeping a job. This barrier disproportionately impacts Black residents and people of color, as described in a recent report by Tzedek DC entitled *Driving DC to Opportunity*.

The legislation will take one of the following forms: Bill 24-230, the DC Driving to Opportunity Amendment Act of 2021; Bill 24-237, the Clean Hands Certification Equity

Amendment Act of 2021; or a subtitle to be added to the Budget Support Act. The Committee on Business and Economic Development held a hearing on Bill 24-237 on April 18, 2022. This allocation is in addition to a similar allocation recommended that is expected to be included in the budget report of the Committee on Business and Economic Development.

IV. BUDGET SUPPORT ACT RECOMMENDATIONS

On Wednesday, March 16, 2022, Chairman Phil Mendelson introduced, on behalf of the Mayor, the "Fiscal Year 2023 Budget Support Act of 2023" (Bill 24-0714). The bill contains two subtitles for which the Committee has provided comments. The committee also recommends the addition of 5 new subtitles.

A. RECOMMENDATIONS ON MAYOR'S PROPOSED SUBTITLES

1. Title III. Subtitle C. Office of Administrative Hearings Universal Paid Leave Hearings Funding Amendment Act of 2022

a. Purpose, Effect, and Impact on Existing Law

This subtitle would remove the existing limitation to FY2022 of the permission for the Office of Administrative Hearings to move funds from the Paid Leave Fund for use on matters others than paid leave claim appeals. The Committee recommends keeping this subtitle. The Committee intends to monitor the use of the funds, particularly if and when staff are hired, the paid-leave workload level, and ensuring that paid leave claims appeals receive priority.

b. Committee Reasoning

Due to the relatively small number of appeals of paid leave claims, OAH was granted permission in the FY2022 Budget Support Act to utilize funds sent to it by MOU from the paid leave fund for its other work. this would permit the agency to utilize staff to their fullest workload capability. While the legislation permitted this for one year, it is the Committee's understanding that because OAH judges are hired on a 2-year basis, no judges have been hired.

The proposed subtitle would strike the FY2022 limitation and permanently allow OAH to use paid-leave funded positions to work on other matters, as long as paid leave claims are prioritized. Specifically, the statute reads:

> In Fiscal Year 2022, notwithstanding any other provision of this section, the Office of Administrative Hearings may use funds transferred pursuant to paragraph (1) [MOU] of this subsection for matters other than the hearing of appeals of claims determinations pursuant to [Universal Paid Leave]; provided, that it prioritizes the use of such funds for the hearing of appeals of claims determinations.

c. Section-by-Section Analysis

Sec. 3021 Short title.
Sec. 3022. Strikes "In Fiscal Year 2022"

d. Fiscal Impact Statement

The subtitle has no fiscal impact.

2. Title IV, Subtitle B, Universal Paid Leave Amendment Act of 2022

a. Purpose, Effect, and Impact on Existing Law

This subtitle as proposed would permanently expand the existing universal paid leave benefits to levels certified by the Office of the Chief Financial Officer. Under the proposed legislation, twelve weeks of parental, family, and medical leave, as well as 2 weeks of pre-natal leave would be available for claims filed after October 1, 2022. Additionally, the contribution rate certified by OCFO as able to support the expanded level of benefits, 0.26% would be implemented as of July 1, 2022. Additionally, the proposal would permanently eliminate the one-week waiting period in effect prior to FY2022 and temporarily eliminated in the FY2022 Budget Support Act.

The Committee recommends that the expanded benefit levels be available as of July 1 instead of October, but that DOES be authorized to retroactively pay claims. As DOES has indicated that it will take until October 1 to implement, an additional two weeks to provide payment should suffice.

The Committee recommends permanently eliminating the waiting week, as proposed by the Mayor.

Finally, the Committee recommends updating the requirements of the annual analyses to be prepared by OCFO on the projections and solvency of the Universal Paid Leave Fund.

b. Committee Reasoning

The Committee heard testimony from several public witnesses at its budget oversight hearing for DOES on March 22, 2022, in support of providing the expanded level of benefits beginning in July—at the same time that the tax contribution rate is reduced—rather than delaying benefits expansion until October. DOES testified that it needed additional time to implement the technical changes to its information technology system for paid leave benefits. The Committee proposal therefore authorizes payment of expanded benefits for claims filed after July but gives DOES additional time to pay such claims.

The Committee notes that its proposed language reads "For claims filed after October 1, 2022, for paid-leave benefits accrued and owed to an individual before October 1, 2022, as a result of the benefits expansion authorized in section 104(e-1)(3), the Mayor shall pay such benefits in lump-sum within 10 business days after making the determination of eligibility." This should be interpreted to mean that the benefits that would have been paid prior to July 1, 2022, should be paid on the regular timeframe—i.e. within 10 business days of the claim filing—while benefits as a result of the expansion may be paid later (by October 15), after DOES implements updates to the IT system.

Additionally, as the expanded benefits will now be permanent law, the requirements that OCFO analyze potential benefits expansions annually are no longer necessary. The

Committee also recommends that OCFO specifically include the level of administrative costs in its annual projections. This year, the Mayor's proposed budget proposed approximately twice the level of administrative costs that would be allowed under the statute. In the future, it would be best for OCFO's annual certification to state the allowable administrative costs, which may be up to 10% of the Universal Paid Leave Fund—the level of reserve plus revenues for the year—and include costs borne by the Office of Human Rights and Office of Administrative Hearings for their work in enforcing the statute.

Finally, the Committee heard support from the public to permanently eliminated the one-week waiting period. The Committee had proposed such a change in its recommendations on the FY2022 Budget Support Act. The final FY22 BSA only eliminated the waiting week temporarily, until late July 2022, or one year following the end of the public health emergency.

c. Section-by-Section Analysis

Section 4011. Short title

Section 4012. Amends The Universal Paid Leave Amendment Act of 2016, (UPLA) effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code § 32-541.01 et seq.),

Subsection (a) amends Section 104 of UPLA to permanently eliminate the one-week waiting period and to establish permanent benefit levels

Subsection (b) amends Section 104a to update the requirements of the annual OCFO projections and certification of the program's costs and other information. It also amends the contribution rate change to start with July 1, 2022.

Subsection (c) amends Section 106(e) to provide for retroactive payment of claims filed between July 1, 2022, and September 30, 2022, for benefits accrued and owed to an individual due to the benefit expansion authorized in the subtitle.

d. Fiscal Impact Statement

Fiscal Impact of Universal Paid Leave Amendment Act of 2022 (LWD amended)

	FY22	**FY23**	**FY24**	**FY25**	**FY26**	**Total**
Benefits: allow the filing of a 12 week claim from July 1	0	$7,163,000	0	0	0	**$7,163,000**
Other NPS: Change order costs for retro claims	$250,000	0	0	0	0	**$250,000**
	TOTAL					**$7,413,000**

B. RECOMMENDATIONS FOR NEW SUBTITLES

The Committee on Labor and Workforce Development recommends the following new subtitles to be added to the "Fiscal Year 2023 Budget Support Act of 2022":

1. District Government Leave Amendment Act of 2022
2. School Year Internship Program Amendment Act of 2022
3. Unemployment Compensation Debt Collection Statute of Limitations Amendment Act of 2022
4. Office of Employee Appeals Mediation Amendment Act of 2022
5. University of the District of Columbia IT and Nursing Education Enhancement Amendment Act of 2022

1. Title X, Subtitle X, District Government Leave Amendment Act of 2022

a. Purpose, Effect, and Impact on Existing Law

This subtitle would update the District's paid leave offerings for its own employees, our public servants. Specifically, it would establish for the first time paid personal medical leave, starting with 2 weeks of leave. Second, it would make important updates to the existing paid family leave offering available for new parents and family caregivers. Finally, it would revamp and combine two supplemental, voluntary programs into one program to provide additional paid leave for employees who do not have enough paid personal medical leave or family caregiving leave when serious illness strikes them or their family.

b. Committee Reasoning

Paid leave

The Committee has made paid family and medical leave a priority for several years. With the establishment of the private-sector Universal Paid Leave Program, the District has been at the vanguard of paid leave programs in the nation. On the public sector side, the District has offered up to 8 weeks of paid leave for new parents and individuals caring for seriously ill family members since 2014, when Mayor Vincent Gray proposed the program in his FY2015 Budget Support Act.

Since then, it has come to the Committee's attention that the program's lack of a personal medical leave component is putting our own workers at a disadvantage. The private sector program, Universal Paid Leave (UPL), offered up to 2 weeks of medical leave—in addition to 8 weeks of parental leave and 6 weeks of family caregiving leave—from its inception in July 2020. The private program is set to expand to provide up to 12 weeks of leave in each category starting October 1, 2022. At that time, the private sector program will be significantly more generous than our program for our own workers.

The Committee's data analysis, as well as testimony from the public and labor organizations makes clear that we must do better by our own workers. The Committee would like to see parity between the programs, which will help the District compete for new talent as well as to retain talent. Not only is UPL more generous, but the federal government is now offering up to 12 weeks of leave to new parents (it does not offer paid medical or family caregiving leave).

Furthermore, data shows that there is a racial disparity in our leave offerings. In the private sector program, Black workers and workers who live in Wards 7 and 8—which are predominantly Black—are most in need of medical leave. According to data from DOES, Black workers were 38% of all claimants but 56% of medical leave claimants and 41% of Ward 8 claimants applied for medical leave compared with 25% or less in Wards 1-6.[82]

On the government side, data on workers' leave use shows Black and low-income workers are disproportionately the ones without adequate sick leave and thus in need of medical leave, according to data provided by the Department of Human Resources to the Committee.[83] There are thousands of workers who don't even have 24 hours of leave accrued: 7,500 workers as of January 1, 2020, and 5,200 to 8,200 workers over the last several years. Black workers and low-income workers are disproportionately the workers who have less than 24 hours of leave accrued/available. Black workers are 62% of workers, but 68-71% of those with less than 24 hours leave. For workers earning less than $50,000 a year, they are 14% of all workers but 25-30% of those with less than 24 hours of leave. There are hundreds of workers each year who have less than 8 hours sick time and used FMLA the previous year, indicating they may have used up all their sick leave for a medical leave event. Workers must fill in the gaps with "Leave without Pay." Black and low-income workers are disproportionately taking LWP, compared with their percent of overall workforce: Blacks are 62% of workers, but 71% of leave without pay takers in 2020, and Low income below $50k are 14% of workers, but 28% of those taking LWP.

While the government does offer a short-term disability insurance program, this is a voluntary program that must be purchased during open enrollment, before many people know they made need such insurance. Further, 100% of the premiums must be paid by the employee. It is not surprising that most employees do not purchase the insurance. Further, data shows that nearly three-quarters of the claims filed are for medical leave, rather than the other main use, for new mothers recovering from childbirth.[84]

Furthermore, providing paid family caregiving leave but not paid medical leave creates a problematic inconsistency where our government employees can take paid leave to care for others but not themselves; for example, a woman can take up to eight weeks of paid leave to care for her husband when he has cancer, but she cannot get paid medical leave when she, herself has cancer. It is time to rectify this inequity.

[82] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, attachment 93, available at p. 204 of https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part5.pdf.
[83] Unofficial data provided by DCHR to the Committee, July 2021.
[84] Ibid.

The Committee, with the support of all 13 Councilmembers, introduced legislation this year to provide up to 12 weeks of paid medical and family leave to our workers, the District Government Paid Leave Enhancement Amendment Act of 2022 (B24-615). Many unions and Councilmembers called on the Mayor to fund such leave in her budget proposal, however, no funds were included. The Committee recommends beginning to enhance our leave offerings. Due to the funding amounts necessary, the Committee must recommend an incremental approach, starting with 2 weeks of paid medical leave, which will cost $4.7 million. As we value our employees, it is critical to ensure that they have the time and economic support that they need to recover from their own serious illness.

In addition, the proposed subtitle would make two adjustments to our current program to make it operate more efficiently and fairly. First, currently, paid family leave may only be used starting at least one year following the *last day* that paid family leave was previously used. This disadvantages employees who must use leave on an intermittent basis as opposed to a continuous basis, requiring them to wait months longer to take leave again. The Committee heard compelling testimony about the ramifications of this policy for two of our uniformed DC Fire and Emergency Medical Services workers at the hearing on the proposed legislation (B24-615). One FEMS worker, a father welcoming a new child into his family, spoke of the disadvantage of taking his paternity leave intermittently as opposed to all at once. Another FEMS worker, argued a similar point, speaking about when he took intermittent leave as an adult son to take care of his terminally-ill father.

Second, employees are currently allowed to take leave for only one qualifying even per year, even if they did not use the maximum leave allowed to them. The subtitle proposes to allow employees to use leave for multiple evens in the same year, up to the cap of 8 weeks per year of family leave, 8 weeks per year of parental leave, 2 weeks per year of medical leave, and 8 weeks per year total for all leave combined.

Leave Bank

At the hearing on the District Government Paid Leave Enhancement Amendment Act, the Department of Human Resources testified, in part, that they would like for some existing leave offerings to be combined, to reduce the number of separate and overlapping programs. The Committee agrees and has worked with DCHR to propose a legislative re-write and combination of two such programs, the Annual Leave Bank (ALB) and the Voluntary Leave Transfer Program (VLTP).

The ALB is available for medical emergencies, but it requires a donation of at least 4 hours of leave at the beginning of the year before an employee can withdraw. It has not been utilized much, and recently had a balance of approximately $8,600 according to DCHR.[85]

The VLTP may be used for medical emergencies as well as parental leave and family caregiving. It allows for employee-to-employee transfers of leave, within an agency.

[85] DCHR, Follow-up responses to Performance Oversight Hearing, submitted Feb. 8, 2022.

More than 20,000 hours of leave were donated and used in 2020.[86] The Committee understands that most of this leave is for medical leave purposes, as the government already offers paid parental leave and family leave, make the program largely unnecessary for these purposes.

The proposed subtitle would establish a new Paid Family and Medical Leave Supplement Bank (PFML Bank) to provide additional paid leave to employees in need for a medical or family caregiving leave, but who do not have enough paid leave available to them. Employees could donate to the bank, including to a specific employee, and they would be permitted to donate to employees in other agencies. Additionally, leave that is not utilized and would otherwise be lost (use-it-or-lose-it leave) would be deposited into the bank.

Employees would apply for leave time from the bank, and if approved could withdraw up to 8 workweeks of leave. DCHR would administer the PFML Bank. The rules and procedures largely follow the existing programs, combining the best elements of both programs into one new program.

c. Section-by-Section Analysis

Sec. XXX 1. Short title.

Sec. XXX 2. Amends the District of Columbia Government Comprehensive Merit Personnel Act, effective March 3, 1979 (D.C. Official Code § 1-601.01 et seq.)

Subsection (a) amends the Table of Contents

Subsection (b) amends section 1203 (D.C. Official Code § 1-612.03) by amending the section heading

Subsection (c) repeals section 1203c (D.C. Official Code § 1-612.03c), the existing Family Leave section

Subsection (d) amends Section 1204 (D.C. Official Code § 1-612.04) to establish definitions for the Parental, family, and medical leave program and the Paid Family and Medical Leave Supplement Bank

Subsection (e) adds a new section 1204a and moves the Parental, family, and medical leave program legislative text, with updates, here

Subsection (f) amends Section 1205 (D.C. Official Code 1-612.05) to establish the Paid Family and Medical Leave Supplemental Bank (PFML Bank)

[86] DCHR, Voluntary Leave Donated and Received Report For 2020, June 25, 2021, available at https://lims.dccouncil.us/downloads/LIMS/47509/Introduction/RC24-0060-Introduction.pdf.

Subsection (g) amends Section 1206 (D.C. Official Code 1-612.06) on contributions to the PFML Bank

Subsection (h) amends Section 1207 (D.C. Official Code 1-612.07) regarding applications for withdrawals from the PFML Bank

Subsection (i) amends Section 1208 (D.C. Official Code 1-612.08) regarding approval of applications

Subsection (j) repeals Section 1209 (D.C. Official Code 1-612.09)

Subsection (k) amends Section 1210 (D.C. Official Code 1-612.10) regarding termination of PFML bank use

Subsection (l) adds new section 1210a to prohibit coercion of contributions to the Bank

Subsection (m) adds a new section 1212 to require an annual report on the use of the PFML Bank.

d. Fiscal Impact

Fiscal Impact of District Government Leave Amendment Act of 2022

	FY22	**FY23**	**FY24**	**FY25**	**FY26**	**Total**
Additional costs - for 2 weeks medical leave (to Nondepartmental)		4,365,000	4,441,000	4,519,000	4,598,000	**17,923,000**
DCHR administration costs	3 FTEs permanent, one for 2 yrs					
	Salaries	323,000	329,000	247,130	251,000	**1,150,130**
	Fringe	69,000	71,000	53,964	55,000	**248,964**
	NPS	80,000	82,000	84,000	86,000	**332,000**
Total		**4,837,000**	**4,923,000**	**4,904,094**	**4,990,000**	**19,654,094**

<u>2. Title IV, Subtitle X, School Year Internship Program Amendment Act of 2022</u>

a. Purpose, Effect, and Impact on Existing Law

This subtitle would amend the Youth Employment Act of 1979, effective January 5, 1980 (DC Law 3-46; DC Official Code § 32-2421(a)(2A)) by permanently increasing the minimum number of internship slots in the School Year Internship Program from 350 to 1000, and reserving 100 internship slots for at-risk District youth who are involved with agencies such as CFSA and DYRS ("District involved youth") in FY 2023. See related Budget recommendation in Chapter II. B.2.

b. **Committee Reasoning**

Increase School Year Internship Program Capacity

In 2021, the Committee created a pilot School Year Internship Program, and in FY2022 the Committee recommended making it a permanent program offering at DOES. The Committee supports providing the District's youth with career exposure and skills development and seeks to significantly increase the number of youth who have access to these opportunities. The School Year Internship Program Amendment Act of 2022 will permanently increase the number of internship slots from 350 to 1000 and reserve 100 slots for "at-risk" youth in FY 2023.

For years, D.C. youth have been advocating for employment programs that extend beyond the city's storied Marion Barry Sumer Youth Employment Program, which is currently six weeks. There is clearly demand: In FY2022 the number of applicants for the program grew significantly, with 1,806 youth submitting applications for 350 slots, with nearly 600 applying on the day the application opened.[87] Unfortunately, due to program capacity, only 20% of applicants received an internship placement. Interns and host employers testified at the DOES FY2023 performance and budget oversight hearings requesting that the Committee continue funding the program and to expand the available number of slots.

Year-round youth employment remains an important way to provide income to District youth, especially at-risk youth, but equally important, these opportunities allow youth to build their resume, sharpen their executive functioning skills, make connections with caring and invested adults, and learn about career pathways. Marie Tata, a youth leader with the Young Women's Project, testified at the FY2022 DOES budget oversight hearing on the pressing need for the School Year Internship Program:

> Not having a job as a teen hinder[s] our ability to build workforce readiness skills such as teamwork, conflict resolution, and communication. DOES's

[87] Department of Employment Services, "Responses to Fiscal Year 2021-2022 Performance Oversight Question," February 8, 2022, attachment to Q152a, pg. 395, available at https://dccouncil.us/wp-content/uploads/2022/02/DOES-FY22-POH-Performance-Oversight-Qs-Attachments-only-2_Part6.pdf.

> in school internship program helps address this issue by giving teens a chance to work with skilled professionals while earning money during the school year.[88]

Belinda Alcoser, student at Jackson-Reed High School (formerly Wilson High School), spoke at the FY2023 budget oversight hearing:

> Giving young youth, from an early start, chances to work in internships is very beneficial in many ways. Youth get to learn to become responsible and learn new skills on the way too. Having more job programs available for all DC students that will pay you really does push/motivate youth to want them to learn new things and find new paths.[89]

While the Committee anxiously awaits the performance results for the School Year Internship Program for FY2021 and FY2022, which has not yet been provided by DOES, it is clear from the number of applications that there is significant interest in year-round high school internships. Laurice Djepeno, student at Benjamin Banneker Academic High School, spoke at the FY2023 budget oversight hearing:

> At my school, we focus heavily on academics and getting into a good college. Getting a job is not regularly promoted. Some of my peers along with myself have experienced administrators questioning our need for jobs as they see it as a distraction. I believe early work experience is imperative as you can develop significant connections that may be helpful in the long run. In addition, through work experience, teenagers learn about saving money and work ethics that they wouldn't really be taught elsewhere.[90]

Reserved Slots for District-Involved Youth

The Committee seeks to ensure that the District's most vulnerable youth, especially those at risk for disconnection from school, and delinquency, are prioritized for year-round employment opportunities and have the specialized support to succeed. While the School Year Internship Program Amendment Act of 2021 prioritized for internships youth deemed "at-risk"[91], the Committee wants more intentional recruitment and support of these youth.

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[88] Testimony of Marie Tata, Youth Leader, the Young Women's Project before the Committee on Labor and Workforce Development, Council of the District of Columbia Performance Oversight Hearing Regarding the Department of Employment Services February 14, 2022.

[89] Testimony of Belinda Alcoser, Youth Leader, the Young Women's Project before the Committee on Labor and Workforce Development, Council of the District of Columbia Budget Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

[90] Testimony of Laurice Djepeno, Youth Leader, the Young Women's Project before the Committee on Labor and Workforce Development, Council of the District of Columbia Budget Oversight Hearing Regarding the Department of Employment Services March 22, 2022.

[91] Students who are "at-risk" are those who qualify for Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), have been identified as homeless during the academic year, who are under the care of the Child and Family Services Agency (CFSA or Foster Care), and who are high school students at least one year older than the expected age for their grade.

During the 2020-21 school year, 75% of DCPS students were considered "at-risk." The Committee recommends reserving at least 100 internships in FY 2023 for youth (named "District-involved youth") receiving housing, truancy, delinquency, or child welfare services and support from the following agencies or their grantees and contractors: District Department of Human Services, Department of Youth Rehabilitation Services, Child and Family Services Agency, or the Office of Neighborhood Safety and Engagement. Too often these youth do not make it into the District's employment programs, and these are the youth whose inclusion is most important. The School Year Internship Program Amendment Act of 2022 creates reserved slots in FY 2023 for at least 100 students with barriers related child welfare, delinquency, or truancy. DOES will work closely with the identified agencies to recruit youth and support them throughout their internships.

Through the subtitle, DOES will create grants for host employers who will provide interns with goal planning, coaching, and training in addition to their internship responsibilities. Interns will participate in monthly workshops on workforce readiness, career exploration, self-advocacy, health (mental, physical, and sexual), financial literacy, and life skills. Host employers will work with interns to develop a set of goals and will submit reports to DOES on their interns' growth and development.

Additionally, it is important that these youth have the support and training to thrive in their internship placements therefore in addition to reserved slots, the Committee recommends that in FY 2023 DOES provide grants to host employers working these youth so that they can provide individual and group coaching, develop goals, and deliver training and workshops on workforce readiness, career exploration, self-advocacy, health (mental, physical, and sexual), financial literacy, and life skills. The subtitle funding supports $250 per person for a total of $225,000 grant funds.

c. Section by Section

Sec. 1XX1. States the Short title.

Sec. 1XX2. Amends The Youth Employment Act of 1979, effective January 5, 1980 (DC Law 3-46; DC Official Code § 32-241 *et seq.*) to enhance the School Year Internship Program as follows:

Subsection (a) amends Section 1XX2 by increasing the number of internships from 350 to XXXX

Subsection (b) amends Section 1XX2 by creating reserved slots for District-Involved Youth interns

Subsection (c) amends Section 1XX2 by creating DOES grants for employers who host District-Involved Youth interns

d. Fiscal Impact Statement

Fiscal Impact Statement of School Year Internship Program Amendment Act of 2022

		FY23	FY24	FY25	FY26	Total
Internship Expansion	Salaries	345,000	351,038	357,181	363,431	**1,416,650**
	Fringe	77,000	78,833	80,709	82,630	**319,172**
	NPS and IT	515,000	525,300	535,806	546,522	**2,122,628**
	Wages	1,101,600	1,123,632	1,146,105	1,169,027	**4,540,364**
At-Risk Youth Set-Aside	Salary	89,000	$0	$0	$0	**$89,000**
	Fringe	20,000	$0	$0	$0	**20,000**
	Grants	225,000	$0	$0	$0	**225,000**
	Total	**2,372,600**	**2,078,803**	**2,119,801**	**2,161,610**	**8,732,814**

<u>3. Title IV, Subtitle X. Unemployment Compensation Debt Collection Statute of Limitations Amendment Act of 2022</u>

a. Purpose, Effect, and Impact on Existing Law

The Unemployment Compensation Debt Collection Statute of Limitations Amendment Act of 2022 will limit lawsuits to recover UI overpayments to being brought no more than five years after the overpayment is identified by the agency.

b. Committee Reasoning

The purpose of this legislation is to provide a five-year statute of limitations on lawsuits to recover unemployment benefits paid to claimants who the District claims received them in error. The lack of a statute of limitations for DOES to sue former UI recipients means that there is a higher risk of inaccurate, unreliable, and missing information underlying the alleged debts. This new limitation will give defendants in overpayment lawsuits a more level playing field when they have to appear in court against the government. This limitation will also ensure that legal disputes are resolved when evidence is still fresh and the people involved are still able to recall and testify about them accurately.

c. Section-by-Section Analysis

Sec. xx1. States the short title.

Sec. xx2. Amends the law to limit civil actions with a five year statute of limitations and removes a repealed phrase from the law.

d. Fiscal Impact

The Committee's analysis is that this subtitle does not have a fiscal impact because it will reduce DOES workload, and the same subtitle (with an even more restrictive statute of limitations) was scored at zero cost in the Committee's FY2022 budget report. The Committee will continue to work with OCFO to finalize any fiscal impact statement.

4. Title X, Subtitle X, Office of Employee Appeals Mediation Amendment Act of 2022

a. Purpose, Effect, And Impact on Existing Law

This provision would permit any party to an appeal before the Office of Employee Appeals (OEA) to decline mediation offered by the agency. Current law requires all categories of cases heard by OEA, except reductions-in-force, to undergo mediation. The provision also would permit OEA to establish a rule requiring a declining party to submit their reasons for declining in writing. This subtitle will enable the agency to more efficiently allocate its resources.

b. Committee Reasoning

OEA's mandatory mediation program was authorized in the 2011 Budget Support Act to encourage settlement of cases heard by the agency. This has not occurred: In the last four years, the success rate of the mediation program has frequently been less than 25%. For FY21, the success rate was 5%. Requiring parties to participate in mediation even when the mediation is likely to be unsuccessful delays the final resolution of time-sensitive cases and inefficiently allocates critical human resources of the agency.

Permitting the agency to require the parties to decline in writing will allow the agency to analyze why parties are refusing to mediate and guide the removal of barriers to mediation when appropriate.

c. Section-by-Section-Analysis

Sec. IXX1. States the short title.

Sec IXX2. Removes the requirement that cases be mediated prior to being heard and permits OEA to create a rule that a party who declines mediation must decline in writing and provide a reason.

d. Fiscal Impact

This subtitle has no fiscal impact.

5. Title X, Subtitle X, University of the District of Columbia IT and Nursing Education Enhancement Amendment Act of 2022

a. Purpose, Effect, And Impact on Existing Law

This subtitle would permit the Workforce Investment Council to include in its annual MOU with the University of the District of Columbia funding for UDC to hire faculty for its nursing program and for UDC-CC to hire faculty for its information technology, cybersecurity, and computer science programs. The Committee is providing funding for additional faculty at UDC for the nursing program in its FY2023 recommendations.

b. Committee Reasoning

In FY2022, the Committee's included two Budget Support Act subtitles to establish career pathways in IT and nursing at UDC. The FY2022 investments in the IT and nursing career pathways included funds for expansion of classes at the University of the District of Columbia's community college and Workforce Development and Lifelong Learning Program WDLL). In FY2023, the Committee recommends expanding the nursing and healthcare investment to provide local, recurring funds to allow UDC to hire full-time faculty to permanently expand these pathways, as well as to purchase necessary software and instructional materials. This subtitle will allow the WIC's MOU with UDC to include additional funding for faculty for the nursing and healthcare pathways. However, the Committee is not supporting funding for FY2023 for the IT pathway at the flagship school; it does support through the subtitle the WIC MOU including funding for the IT pathway at both the Community College and WDLL See also the WIC agency chapter for discussion and details on the budget.

c. Section-by-Section-Analysis

Sec. IXX1. States the short title.

Sec IXX2.

Amends Section 4096(a)(2) of the "IT Community Training and Advisory Board Establishment Act of 2021," (D.C. Law 24-45, D.C. Official Code § 32-1691.05(a)(2)) to permit the MOU to include funding for UDC-CC faculty

Amends Section 4116(b) of the "DC Nurse Education Enhancement Program Amendment Act of 2021," (D.C. Law 24-45; D.C. Official Code § 32-1693.05(b)) to permit the MOU to include funding for UDC faculty

d. Fiscal Impact

This subtitle has no fiscal impact.

V. RECOMMENDATIONS FOR LOCAL BUDGET ACT

The Committee does not make any recommendations for the FY2023 Local Budget Act for FY2023.

VI. COMMITTEE ACTION AND VOTE

On Thursday, April 21, 2022, beginning at ___z.m. via the Zoom platform, the Committee on Labor and Workforce Development met to consider and vote on the Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2023 Budget for the Agencies under its Purview, the committee's recommendations for the FY 2023 Budget Federal Portion Adoption and Request Act, the FY 20223Budget Local Portion Adoption Act, and the FY 2023 Budget Support Act.

Chairperson Elissa Silverman determined the presence of a quorum consisting of herself and Councilmembers Janeese Lewis-George (Ward 4), Christina Henderson (At-Large), Robert C. White (At -Large), and Trayon White, Sr. (Ward 8). Chairperson Silverman provided an overview of the Committee report and the Committee's recommended changes to the Mayor's proposed FY23 budget, XXX.

After her statement, the Chairperson asked if there were any questions or remarks from the Committee members. Councilmembers Lewis-George, Henderson, Robert White, and Trayon White spoke in support of the budget report and recommendations.

XXX

All present voted to approve the Committee report and recommended changes to the Mayor's proposed FY23 budget. Thus, the Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2023 Budget for Agencies Under Its Purview was passed unanimously. The meeting was adjourned at ___a.m..

VII. ATTACHMENTS

A. Committee Adjustments

B. Bill 24-714, Fiscal Year 2023 Budget Support Act of 2022 Recommended Subtitles

C. Tuesday, March 22, 2022; Monday, March 28, 2022; Friday, April 1, 2022; Monday, April 4, 2022; and Wednesday April 6, 2022, Fiscal Year 2023 Budget Oversight Hearing Witness Lists and Testimonies.