

I. SUMMARY

A. EXECUTIVE SUMMARY

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More than 15 months ago, starting on March 11, 2020, life in the District of Columbia was turned upside down. That was the day Mayor Muriel Bowser declared a public health emergency due to the coronavirus, and shortly thereafter, conventions were cancelled, sporting events and entertainment venues shuttered, restaurants and bars were closed, and office workers were told to work from home. Parts of DC's economy, particularly the hospitality sector and its workers, were clobbered in the effort to curb transmission of COVID-19. Since then, more than 200,000 DC workers have filed a claim for some type of unemployment assistance due to layoffs or a loss of income. While some businesses and non-profits were able to transition to virtual platforms and continue operations with employees working remotely, others were put in much more dire straits: They either had to shut down completely, laying off workers, or if they were an essential business such a grocery or hardware store, had to put workers at health risk to serve the greater good.

This was an incredible sacrifice that DC government asked of our residents, workers, and businesses to protect public health. Though everyone was impacted by the pandemic, not everyone was impacted equally. More than 1,000 D.C. residents lost their lives due to COVID-19, and a majority of those who died were Black. Some businesses had to cease operations and lay off workers, unable to meet payroll or rent, while others were able to continue remotely. The Mayor and Council acted quickly to provide for the needs of both businesses and workers. Critical to the Labor Committee was implementation of a massive federal expansion of unemployment insurance. Actions taken by Congress and signed by the President created pandemic benefits for independent contractors, increased weekly benefit amounts, and extended the amount of time eligible workers could collect unemployment compensation. It has been a critical safety net and lifeline for families, though many of our workers have experienced great difficulty receiving unemployment compensation in a timely fashion. Some have waited weeks, if not months, for proper payments, putting them in financial peril. The Council also took other measures to help workers and businesses stay afloat and stay healthy amidst the pandemic by enacting a ban on evictions and foreclosures, providing grants for local businesses, deploying federal funds to help pay rent and utilities, prohibiting rent increases and utility shutoffs, enabling "streateries" to help restaurants, and putting COVID-19-related workplace protections in place.

As the District has met its goal of getting more than 70 percent of residents vaccinated and the District has begun to open up and resume much of pre-COVID life, some workers and businesses still feel like they've taken a major blow and worry that it could become a knock-out punch. Many hospitality workers, who worked for hotels, catering, and convention-related businesses, will experience a slow return to work, if they return at all. Some will need training or support finding a new job in a new industry. Other

workers might have returned or will return to some employment, but it is not full-time. The impact is not just on these workers, but their families, including their children. Research shows that economic instability, including housing and food instability, has a deleterious impact on learning and social-emotional development. We need to act now, and deploy resources now, so that the investments we make in education, public safety, health and other areas will have a return on investment and truly help our residents.

This is a pivotal time for our city, and it is also one of opportunity. As the District recovers from the pandemic, this Committee's guiding principle is to direct resources strategically to help those most impacted by the pandemic, strengthen our economy, and build a workforce development pipeline in our high-demand industries so that District residents will get hired into living-wage careers in these sectors. That will benefit our entire city, strengthening our tax base and our communities. This also means we need to focus our investments where they can do the most good in the long run, by jump-starting projects now. The influx of federal funds from the American Rescue Plan gives us the resources to do this: \$2 billion to the District with \$200 million in this Committee's budget. This is an extraordinary amount of money that must do an extraordinary amount of good work. We have to leverage this to make once-in-a-lifetime investments and set up our city for recovery and growth in the long term.

To help realize this vision, the Committee makes the following investments and legislative improvements:

Direct Financial Assistance for Those Most Impacted by the Pandemic

- Continued **assistance to D.C. residents who are excluded** from receiving federal unemployment benefits including undocumented workers, cash economy workers, and returning citizens, totaling \$20 million
- Permanently **making unemployment benefits received by District residents exempt from local income taxes**, totaling \$29 million
- **Stimulus payments of \$1,500 for up to 10,000 District residents who endured extraordinarily long times before receiving their unemployment compensation payments**, totaling \$15.5 million
- Targeted **grants to businesses** through DMPED for small, local, and minority owned businesses in the restaurant, retail, and hospitality sectors that saw significant revenue losses during the public health emergency and need assistance with paying back rent or other costs of reopening, totaling \$30 million
- Providing **Heroes Pay to thank and reward the thousands of District workers** in essential jobs who risked their health and their lives during the pandemic, totaling \$5 million
- Incentive payments for unemployed District residents to complete **STAY DC rental assistance applications**, totaling \$5.5 million

- Eviction Diversion Coordination to **reduce eviction filings and its harm**, totaling \$1.5 million
- Flexible funding for **survivors of intrafamily offenses, sexual abuse, stalking, or human trafficking**, \$3 million
- Funding a new **Commission on Poverty** to study and make recommendations for reducing poverty in the District, totaling \$2.7 million over the four-year plan

Expanding Universal Paid Leave Now and Into the Future

- **Expanding medical leave benefits from 2 weeks to up to 6 weeks in FY2022**, totaling \$98 million
- **Adding two weeks of pre-natal leave benefits in FY2022**, totaling \$7 million
- Requiring **quarterly and annual reviews by the Chief Financial Officer** of fund spending, revenue, and balance, and providing for **automatic benefits expansions** as funds are certified available.
- Ensuring access to paid leave, particularly for low-wage workers: removing the **waiting week**, providing benefits to workers regardless of **employment status**, allowing **retroactive** leave claims, expanding the **wage base** used to determine the amount of benefits for one year post-pandemic, and restoring earned **DC Family and Medical Leave Act (FMLA) eligibility** for those who return to their jobs after the pandemic

Building Career Pipelines for DC Residents in Living Wage, High-Demand Industries

- Permanently putting in place a **school-year internship** program for DC high school students, totaling \$839,000 per year
- **For the first time with public dollars, funding a Jobs First Pilot** to help those with barriers such as homelessness and criminal backgrounds to obtain permanent employment in jobs that pay at least \$15/hour, totaling \$1.2 million over two years
- **Significantly boosting training for nursing careers at UDC and with community training providers**, totaling \$5.8 million over three years
- Restoring and expanding **health care workforce partnership training grants**, \$500,000
- **Ramping up IT training at UDC and with community training providers**, totaling \$6.2 million over three years, and creation of an IT occupational advisory board

Improving the Unemployment Insurance (UI) System

- **“Hold harmless” employers** for COVID-related layoffs and furloughs by permanently waiving charges to employers for COVID-related benefits
- Funding user-friendly **informational videos** for UI claimants to help them understand and avoid common mistakes, totaling \$40,000 per year
- **Halting lawsuits against UI claimants** for overpayments during public emergencies and **setting a three-year limit** on such lawsuits during normal times
- Ensuring **workers who leave unsafe workplaces** can qualify for UI

Protecting Workers and Strengthening DC’s Economy

- Establishing a **Workplace Rights Grants Program** at the Office of the Attorney General to provide education and assistance to workers on District employment laws, totaling \$867,000 per year
- Funding implementation of a new law to **prohibit non-compete agreements** that restrict workers from freely starting new businesses or changing jobs (as well as deferring the law’s implementation until April 1, 2022), totaling \$675,000 over the 4-year plan

Supporting and Strengthening Our D.C. Government Workforce

- Analyzing **DC government employee residency through a research study** and how to increase the portion of employees who live in DC, totaling \$150,000
- Requiring DC Department of Human Resources to **notify and repay approximately 18,000 current and former DC government employees who were overcharged** their premiums for disability insurance
- Full implementation of new law to provide **employment protections to DC government employees who are medical marijuana patients**, totaling \$280,000
- Restoring **3 positions to the DC Department of Human Resources** to ensure adequate service levels, totaling \$218,000