

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: September 21, 2018

SUBJECT: Fiscal Impact Statement – Pathways to District Government Careers
Amendment Act of 2018

REFERENCE: Bill 22-777, Draft Committee Print provided to the Office of Revenue
Analysis on September 19, 2018

Conclusion

Funds are not sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill will cost \$454,555 to implement in fiscal year 2019 and \$2,022,184 over the four-year budget and financial plan.

Background

The bill establishes¹ new apprenticeship programs within the District government; prioritizes hiring of D.C. public high school graduates for entry-level positions within the District government; and creates new partnerships between the Department of Human Resources (DCHR) and schools and organizations preparing students for high school diplomas or their equivalent. Below we give more details on each of these portions of the bill.

Apprenticeship initiative

Within two years of the effective date of the bill, DCHR and the Office of Apprenticeship, Information and Training (OAIT) within the Department of Employment Services (DOES) must create at least five new apprenticeship programs within the District government. The apprenticeship programs will collectively be known as the “District of Columbia Government Apprenticeship Initiative.”

Each of the five apprenticeship programs must have at least two apprentices, who must be District residents. Each apprenticeship program must be in an occupation that the U.S. Department of Labor

¹ By amending the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*)

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identifies as an apprenticeable occupation.² At least one program must be in an IT field, and at least one must be in healthcare.

The programs must be registered with OAIT and meet the federal guidelines for apprenticeships set by the U.S. Department of Labor.

Apprenticeships must consist of on-the-job training provided by a mentor and field-specific classroom instruction, known as "related instruction training", which may occur after work hours. The U.S. Department of Labor recommends a minimum of 144 hours of related instruction training for each apprentice.³ DCHR, OAIT, or an apprentice's host agency must request that the University of the District of Columbia Community College provide the related technical training if a host agency or other sponsor cannot provide the training. Federal funding must be used prior to local funding for the apprentice's related instruction training when available.⁴

In addition to related instruction training, the bill requires apprentices to receive life skills training.

DOES and DCHR may create the apprentice positions by providing training and mentorship to existing employees, or they may create new positions for the apprenticeships by reclassifying vacant positions. The bill allows for, but does not require, new positions to be created for apprenticeships.

The bill requires DCHR to develop a process by which labor union representatives and District agencies may request the creation of an apprenticeship in a specific occupation or agency. DCHR must meet with labor union representatives at least twice a year.

The following reporting is required for the apprenticeship initiative:

- Within 180 days of the effective date of the bill, DOES and DCHR must submit to Council a plan for creating and administering the apprenticeship programs.
- By October 1 of the first full year after the effective date of the bill, and each subsequent October 1, DCHR shall submit a report with information about each apprenticeship program, such as the names and roles of participating entities; occupations covered; position titles of apprentices; salaries; durations of apprenticeship; and information about the training received, among other information.
- By October 1 of the second full year after the effective date of the bill, DCHR shall provide to Council a three-year plan for the establishment of new, additional apprenticeship programs.

² DOL lists hundreds of occupations as apprenticeable here:

https://www.doleta.gov/OA/bul16/Bulletin_2016-28_Attachment1.pdf. DOL has made several individual additions to this list via bulletins since the list was published in 2016.

³ For more info see <https://www.dol.gov/featured/apprenticeship/faqs>.

⁴ For example, organizations that provide related instruction training for apprentices can receive federal funding of up to \$5,000 per apprentice if they register with DOES as an eligible training provider and meet certain DOL requirements. Some courses at the UDC Community College, but not all, are currently eligible for this federal funding.

Prioritizing hiring of D.C. graduates

For entry-level District government positions, the bill requires agencies to prioritize the hiring of District residents with a diploma or its equivalent from a D.C. public high school or the District of Columbia. The bill defines an entry level position as a competitive position that requires no more than three years of work experience, no skills or proficiency exams or certifications, and no education above a high school diploma or its equivalent.

For these entry-level positions, DCHR or a hiring agency must directly solicit applications from D.C. graduates, though any qualified person may apply regardless of where they live or graduated from high school.

Each entry-level position is required to have an application window of at least 5 days. After rating or ranking D.C. graduate applicants through a process determined by the Mayor, DCHR or the hiring agency will be required to exclusively consider hiring D.C. graduate applicants rated at minimum as qualified. If an agency is unable to fill a position after considering all qualified D.C. graduate applicants, only then may it consider other applicants for the position.

DCHR partnerships

The bill requires DCHR to create partnerships with schools and organizations preparing students for their high school diplomas (or equivalent), in order to recruit and hire D.C. graduates for District government jobs. While the bill leaves open-ended the structure of these partnership and recruitment initiatives, it lists the following suggestions:

- A human resources recruiting unit dedicating to recruiting District graduates into internships, apprenticeships, an full-time employment;
- A system for students to learn about and apply to district government apprenticeships and employment;
- Paid internships in District government agencies;
- Mentoring by District government employees;
- Career exposure to a variety of District government jobs; and
- Information on entry level jobs.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill will cost \$454,555 to implement in fiscal year 2019 and \$2,022,184 over the four-year budget and financial plan.

Program management

DOES and DCHR will each need a program manager. The DOES manager position (grade 12) will cost around \$100,000 a year for salaries and benefits. The DCHR manager position (grade 14) will cost around \$130,000 a year for salaries and benefits.

The DOES program manager will focus solely on the apprenticeship program, while the DCHR manager will oversee the apprenticeship program and the hiring of and outreach to D.C. graduates. While the apprenticeship program is not required to begin until two years after the bill's passage (FY 2021), the DOES manager overseeing the apprenticeship program will be hired in FY 2019 so

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he or she can work with DCHR to identify apprenticeable positions, create program guidelines, set up the program for the first cohort of apprentices, and work on required reports for Council.

Apprenticeship initiative

Our estimate is based on the cost of serving 10 apprentices – the minimum to meet the requirements of the bill.

In addition to the DOES and DCHR program managers needed to oversee the program, DCHR will need an additional 0.5 FTE, an HR specialist, to assist the program managers in running the apprenticeship program. The HR specialist will start mid-way through FY 2020 in order to prepare for the start of the apprenticeship program in FY 2021. A full year's salary and benefits for this position, a grade 12, will cost around \$50,000 a year for half an FTE.

The related instruction training required of apprentices will cost around \$30,000 a year. This is based on a cost of roughly \$3,000 per apprentice per year, which we project will be enough to pay for 18 credit hours a year at UDC community college in FY 2021. Exact costs per apprentice will vary. Some apprentices may be able to receive federal funding for their training, reducing the cost, while others may be able to take UDC's workforce development and lifelong learning courses, which are free to District residents. Other apprentices may take trainings that cost more than \$3,000 a year; several online certificate courses from UDC community college exceed this price. If an agency opts to provide in-house training, it could cost much more, based on the experience of DPW.⁵ Our assumption is that the District will select apprenticeships that can be funded within the overall training budget provided.

There will be an additional one-time cost of \$60,250 in FY 2020 for mentor and life skills training. This money will pay for a consultant who will develop life skills and mentor training curricula. The consultant will train DOES and/or DCHR staff in teaching the curricula to the apprentices and mentors.

While apprentices receive salaries, there is no fiscal impact to the salaries of these positions. The District has the option of creating apprenticeships by allowing existing employees to become apprentices working towards a more advanced position; hiring apprentices into vacant entry-level positions; or re-classifying a vacant position into one which can be temporarily filled with an apprentice until training is completed.

D.C. graduates – hiring and outreach

The DCHR program manager will also oversee two staff working on D.C. graduate hiring and outreach: a case manager (with salaries and benefits totaling roughly \$100,000 a year), who will work one-on-one with students and D.C. graduates, and a school liaison (~\$100,000 a year), who will form partnerships with public schools. It is via these staff members that agencies can announce entry-level positions to DC graduates and soon-to-be graduates. These FTEs support the minimum requirements of creating partnerships and recruiting DC graduates; more money would be needed to reach larger portions of the DC graduate population, and to fund additional suggested, but not required, programs in the bill, such as paid internships and mentorship programs.

⁵DPW's requested FY 2018 budget for its auto technician apprenticeship program included a training budget of \$13,000 per apprentice (not accounting for any federal funding available).

In order for DCHR to flag and sort applicants from D.C. graduates for entry-level positions, there will be an additional one-time cost of \$25,000 for an IT upgrade.

Cost of Bill 22-777, Pathways to District Government Careers Act of 2018, FY 2019 - FY 2022					
	FY 2019	FY 2020	FY 2021	FY 2022	Four-Year Total
<i><u>Program Management</u></i>					
DOES program manager ^(a)	\$102,020	\$103,805	\$105,622	\$107,470	\$418,917
DCHR program manager ^(b)	\$131,267	\$133,564	\$135,901	\$138,280	\$539,012
<i><u>Apprenticeship Program</u></i>					
HR specialist (0.5 FTE) ^(c)	\$0	\$24,454	\$49,764	\$50,635	\$124,853
Related instruction training ^(d)	\$0	\$0	\$29,968	\$30,688	\$60,656
Consultant to provide life skills and mentorship training curriculum ^(e)	\$0	\$60,250	\$0	\$0	\$60,250
<i><u>DC Graduates - Hiring and Outreach</u></i>					
Case Manager ^(f)	\$96,134	\$97,816	\$99,528	\$101,270	\$394,748
School Liaison ^(g)	\$96,134	\$97,816	\$99,528	\$101,270	\$394,748
IT upgrade for prioritizing hiring of DC grads ^(h)	\$25,000	\$0	\$0	\$0	\$25,000
<i><u>Miscellaneous Expenses</u></i>					
Technology expenses - DCHR ⁽ⁱ⁾	\$4,000	\$0	\$0	\$0	\$4,000
TOTAL COST	\$454,555	\$517,706	\$520,312	\$529,612	\$2,022,184

Table Notes

(a) 1 FTE, grade 12. Costs include salary, benefits, and annual cost increases of 1.75 percent.

(b) 1 FTE, Grade 14. Costs include salary, benefits, and annual cost increases of 1.75 percent.

(c) 0.5 FTE, grade 12, with a start date halfway through FY 2020. Costs include salary, benefits, and annual cost increases of 1.75 percent.

(d) Approximately \$3,000 per apprentice, based on the cost of 18 credit hours at UDC-Community College. Actual cost per apprentice will vary depending on coursework selected, training provider, and availability of federal funding.

(e) Estimate provided by DCHR, based on average cost associated with training and development facilitators nationally.

(f) 1 FTE at DCHR, grade 12. Costs include salary, benefits, and annual cost increases of 1.75 percent.

(g) 1 FTE at DCHR, grade 12. Costs include salary, benefits, and annual cost increases of 1.75 percent.

(h) Cost of upgrading IT system, per OCTO, to identify applications of D.C. graduates.

(i) For each new employee DCHR will require \$1,000 for technology equipment such as a computer, telephone, printer, etc.