

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Employment Services



Fiscal Year 2021
Budget Oversight Hearing

Testimony of
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Director

Before the
Committee on Labor and Workforce Development
Council of the District of Columbia
The Honorable Elissa Silverman, Chairperson

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John A. Wilson Building
1350 Pennsylvania Avenue, NW
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Good morning, Chairperson Silverman, members of the Committee on Labor and Workforce Development, committee staff, and everyone watching. I am Dr. Unique Morris-Hughes, Director of the Department of Employment Services (DOES), and I am pleased to testify before you today on Mayor Bowser's Fiscal Year 2021 (FY21) Budget.

Last month, Mayor Bowser presented her FY21 DC HOPE budget and financial plan, which is guided by the principles of health, opportunity, prosperity, and equity. At a time when the District faces both a public health emergency and significant revenue losses, this budget continues the Mayor's mission to give District residents of all backgrounds and in all stages of life a fair shot by making key investments in public health infrastructure, affordable housing, and public schools. This budget provides a sense of hope and trust that our shared DC values persist, no matter the circumstances or challenges we have before us.

The Mayor's FY21 DC HOPE budget makes historic investments in supportive services and programs that increase the quality of life for all District residents. For example, Mayor Bowser has allocated:

- \$113.5 million to increase funding for K-12 public education;
- \$250,000 to help returning citizens start new businesses and launch careers; and
- \$56 million in safety and mobility investments.

While each District agency has its own individual budget hearing, the overall budget is deeply interconnected and directly impacts the lives of residents. Investments across the budget, combined with those specifically targeted towards DOES' workforce development goals, help move the District forward and make our city a better place to work, live, and visit.

The Mayor's FY21 DC HOPE budget provides DOES with the resources needed to take the next step in implementing its "Vision Forward" plan for promoting the District's human

capital; aligning workforce and education; creating equity and access; achieving excellence in service delivery; operating smart and effective systems; and providing best in class customer service. While there is much to celebrate in this budget, it did require the District to make some difficult decisions. In the Mayor's work to ensure that the District's budget was balanced in the face of historic revenue losses due to the COVID-19 pandemic, some significant cuts have been made to DOES programs and services. Notably, the budget proposes to reduce Local Adult Training programs by over \$3 million; as well as, cut the Learn. Earn. Advance. Prosper program (commonly known as LEAP program) at a reduction of over \$1.5 million from FY20. These necessary cuts will translate into fewer trainings and participant slots for some of our programs. Despite these changes, we will maintain our commitment to connecting and re-connecting as many District residents as possible with quality, family-sustaining careers.

DOES is excited that the FY21 budget includes long-term investments, including more than \$52 million to renovate Spingarn High School to create a long-term home for the DC Infrastructure Academy (DCIA). In addition, the FY21 budget invests over \$3.2 million for the Office of Talent and Client Services to help connect District resident workers with District employers. This investment will be critical as the District looks forward to economic recovery post-COVID-19 and putting our residents back to work.

Before the public health emergency, DOES was continually building on efforts to improve our customer service to District workers. As part of our efforts to promote the District's human capital, our local adult programs provided, and will continue to provide, greater opportunities to District residents. For example, DOES' WIOA Adult and Dislocated Worker programs have exceeded their performance goals in employment rates so far in FY20. In the first quarter of FY20, 73% of WIOA Adult participants and 72% of Dislocated Worker participants were employed in

the second quarter after completing the program. In the fourth quarter after completing the program, 74% and 77% of respective participants were employed. DOES' Out-of-School Youth program also yielded similarly impressive results by exceeding all performance measures in the first quarter of FY20. For example, 69% of our Out-of-School youth were employed in the second quarter after completing the program and 67% after the fourth quarter. We will continue this work over the rest of FY20 and in FY21 thanks to sustained investments in the proposed budget.

The Mayor's FY21 budget allows DOES to continue its commitment to train District residents for high-demand careers and build off the successes we have made at DCIA since its opening in March 2018. For example, in January 2020, DCIA launched its third cohort of Pepco trainees and 20 participants completed the training virtually in May. As with our second cohort of Pepco graduates last year, we expect every single one of these graduates to receive a job offer from either Pepco or one of their subcontractors by the time of their graduation in July. In addition, DOES will expand our DCIA offerings this summer through a new Washington Gas partnership designed to help District residents obtain employment in the high-demand gas utilities sector. This program will help 20 District residents obtain certifications in Excavation and Backfilling; Underground Clearances and Service Lines; Mains and Transmission Lines; and Prevention of Accidental Ignition. DCIA will continue to provide quality services to the District's residents via our weekly information session, CASAS testing, and Quick Path training programs in the Energy, Information Technology, and Health and Safety sectors. While we will have to reduce some training offerings and anticipate that in-person classes will be smaller due to physical distancing, DOES will work to offer additional class times or virtual classes, where possible, to meet current DC Health guidelines.

We are committed to ensuring that our workforce development programs deliver effective results for District residents. Last November, DOES demonstrated this commitment when we officially launched our new Bureau of Compliance and Independent Auditing (BCIA). This new Bureau serves as an impartial and wholly independent team authorized to ensure comprehensive systems are in place to effectively track, monitor, audit, and guide self-corrective activities for DOES programs. BCIA's objective is to identify and mitigate potential compliance, quality assurance, and risk abatement deficits within each DOES program and functional area. In FY21, the BCIA team will continue to conduct UI and workforce development compliance efforts, as well as support COVID-19 federal oversight requirements as mandated by the U.S. Department of Labor.

DOES continues to achieve excellence in service delivery as we adapt to a new normal. The Division of State Initiatives will soon resume new participant engagement for the Project Empowerment (PE) and DC Career Connections (DCCC) programs with a combination of face-to-face instruction and virtual learning options. Due to the challenges these participants face, it is critically important that DOES maintains a period of face-to-face instruction to support their transition to employment. As the DC government plans for a phased reopening, DOES will need to balance these needs by reducing the classroom sizes for in-person formal instruction and modifying the schedule from three weeks of classroom time to two weeks of onsite instruction and one week of virtual engagement. This engagement will still cover critical life and job readiness skills topics to help ensure participants' success. Following completion of this job-readiness training, participants may be referred for work experience. Alternatively, we will provide participants with virtual skills training that either results in a credential or supports job readiness.

Despite historic revenue losses and the necessity of maintaining physical distancing, we have maintained our commitments to our trainees and participants. We are converting our trainings and services to include virtual platforms to continue to provide our residents with the resources they need in these challenging times.

Another prime example of our success has been standing-up the District's new Paid Family Leave (PFL) program. In July 2019, our Office of Paid Family Leave successfully launched the PFL tax system, on time and under budget. To date, DOES has collected over \$300 million in PFL tax contributions or approximately 97% of all reported wages in the District. DOES is well-positioned to achieve the next milestone with the launch of PFL benefits administration. Our PFL team is in good company. Our Unemployment Insurance (UI) Benefit Division was ranked number one regionally and number nine nationally for the first time ever for first payment promptness.

I like to refer to our DOES staff as economic first responders and, as you are aware, the UI team has been central to that work. Our UI team has stepped up under the enormous strain of the current public health emergency to provide eligible District workers with access to unemployment insurance and the newly created Pandemic Unemployment Assistance benefits throughout this crisis. DOES has taken advantage of every federal dollar available for UI funding, including Pandemic Unemployment Assistance for independent contractors, gig workers, and part-time employees typically not eligible for traditional UI, and Pandemic Emergency Unemployment Compensation for those who have exhausted their traditional UI benefits.

Since March 13, 2020, DOES has received over 108,000 new claims for unemployment compensation, almost three-and-a-half times the amount DOES typically receives per year. To date, DOES has paid more than \$422 million in benefits and continues to adjudicate claims as

quickly as possible.¹ To maintain our customer service standards, our Office of Customer Experience has trained over 200 new call-takers from within the agency, throughout District Government, and through vendor contracts to respond to the influx of callers since mid-March. With this additional support, DOES has been able to reduce the average wait time when a customer calls from over 4 hours to as low as 45 minutes. Since the start of the emergency, DOES has received over 193,000 calls, a truly staggering number, as the District and the nation navigates these unprecedented times. We have also made improvements to our website, establishing a Chatbot feature which allows for customers to receive immediate answers to general questions. Furthermore, we are making continuous improvements to our frequently asked questions based on guidance changes from DOL to better help residents understand the claim process. In FY21 and beyond, we will use the customer service lessons we have learned during this emergency to maintain and achieve greater excellence in service delivery.

The current emergency has highlighted the District's need to continue the UI Modernization project. The FY21 capital budget continues towards the project's objective of developing and deploying a robust, fully-integrated Unemployment Benefits and Tax solution resulting in greater efficiency and the ability to offer enhanced services to District workers. To date, DOES awarded the Unemployment Tax contract and is well on its way to releasing a solicitation for the Unemployment Benefits contract.

Our budget of \$156,181,995, which represents a 6.1% increase over our FY20 approved budget of \$147,241,536, will continue to fund our long-term workforce goals. However, this does include some significant cuts to local funding. The budget will fund our comprehensive study of current DOES services, District resident workforce, and current and future job market needs. We

¹ The claim information is current as of 6/1/2020.

will identify early career opportunities in addition to the Marion Barry Summer Youth Employment Program, which will continue to be funded through DC HOPE. DOES will work creatively to administer grants and offer incentives that support quality outcomes to diverse and minority populations including veterans, the homeless, women, returning citizens, and at-risk youth. As we have with our Quarterly Business and Community Stakeholder meetings and more recently our unemployment webinars, we will host regular meetings with stakeholders to gain insight and feedback on current DOES services and programs. In addition to funding our permanent DCIA location, the capital improvement budget will also fund our UI tax modernization. This key initiative will improve our customer service and streamline our systems to make us more efficient and responsive. Along with this modernization, the DOES operating budget will help fund a comprehensive data project to create an agency-wide data governance and management plan.

The resources allocated to the DOES will play a critical role in providing opportunities and hope to the residents of the District as we emerge from the most significant global event of our lifetimes. I look forward to continued partnership with the Council as we work together to rebuild our community to be more equitable, more vibrant, more resilient, and better than before.

We appreciate the opportunity to share our accomplishments and plans for continuous improvement and look forward to continuing to work with this Committee. The DC HOPE budget continues our commitment to residents and will further the goals of DOES' Vision Forward plan, despite the necessary cuts. This concludes my testimony. I am happy to address any questions that you may have at this time.