

TESTIMONY OF JOSLYN N. WILLIAMS
ON OVERSIGHT OF THE
DEPARTMENT OF EMPLOYMENT SERVICES

Before the Committee on Housing and Workforce
Development

Honorable Michael Brown, Chairman

February 18, 2011

Chairman Brown and members of the Committee, my name is Joslyn N. Williams, and I am President of the Metropolitan Washington Council, AFL-CIO, which represents 175 local unions and their 150,000 members- including 30,000 DC government employees- in the metro area.

If you recognize us as the representatives of workers- federal, public and private- who live and work in our wonderful city, you understand why the Department of Employment Services is so important to the labor community- in fact we like to refer to it as our Labor Department. Its programs impact workers, and their lives on and off the job, in a way no other District agency does.

- The Wage Hour office is the place for workers to go when they have been cheated out of their pay by unscrupulous employers. Wage theft, which includes refusing to pay the correct hourly wage, misclassifying workers so you can pay them less, refusing to pay earned overtime, or shorting workers on actual hours worked, robs workers of their livelihood, makes them less likely to be economically self-sufficient, and reduces our tax base. This is a ballooning problem in our city.
- The Apprenticeship Office interacts daily with the building and construction trades unions and the thousands of apprentices and journeyworkers doing work in our city, as well as works to ensure that contractors using our tax dollars provide, as per law, quality apprenticeship opportunities to DC residents to help them learn a trade.
- We would prefer to see the Worker's Compensation Office go out of business, but that will only happen if workers no longer are injured or made sick on the job. But it's this office that ensures they are compensated fairly when they are injured through no fault of their own. And it's the OSHA office which works with private sector employers to help them prevent accidents rather than just compensating them after they happen.

- The Unemployment Office helps workers bridge the gap economically between job loss and re-entry into the job market, and is of critical importance to workers of all income levels who may lose their jobs.
- And that brings us to the myriad workforce development programs which are so critical to moving adults and youth from unemployment, poverty and despair into economic self-sufficiency, and which includes the operation of the One Stops, the activities of the Workforce Investment Council and the Youth Investment Council, First Source, and the operation of the Labor Market Information office which must provide accurate up-to-the-minute data for effective policy-making.

Having outlined why labor cares so much about the Department of Employment Services, I say today that we are outraged by the legacy of the Fenty Administration and its gross mismanagement of many of the programs under DOES' purview, and its blatant and unacceptable disregard for the thousands of DC residents who so desperately need the quality services they should be entitled to from this department to improve their lives and to become productive citizens of our city.

As you must be aware, over the last few years the US Department of Labor has been regularly citing DC for performance failures, for mismanagement of federal funds, for not spending federal funds provided, for returning unspent funds intended for services for needy populations, and for refusing to respond to requests for information and for timely filing of required reports.

Here are a few examples:

- In October 2010- DOL wrote to the Deputy Mayor requesting urgent meetings, since the then Director of DOES had not responded to numerous requests to discuss citations and deficiencies. In this letter, DOL informed the Deputy Mayor that DC had failed to complete the WIA Annual report which was due 10/1/10, that DC is eligible for sanctions for failing in all 3 Youth program performance measures, and that critical problem areas need correction including

- Accurately accruing expenditures and subsequent fiscal reports
 - Resolving all other outstanding DOL program audit issues
 - Reviewing performance data from the past year to ensure proper reporting
 - Improving the role of the WIC and coming into compliance with government regulations
 - Ongoing improvements to the UI system
 - Bolstering the capacity of workforce staff to ensure quality services to the unemployed
- Specific concerns expressed by DOL in late 2009 and throughout 2010 include:
 - DC received an On the Job Training National Emergency Grant totaling \$627,753 in 2010 and DOL was still awaiting corrections to the plan submitted. We do not know how it if this money is being spent.
 - For PY 2009, DC had expended only 57.41% of its allotment of State Set-Aside WIA funds. DOL was expecting a plan for increasing these expenditures. Monies have been returned in the past.
 - Wagner Peyser expenditures, which help fund the One Stops and provide needed services to the unemployed, were at only 59%. \$1,043,243 was remaining to be spent.
 - Concerns about low rate of expenditure of Labor Market Info Funds. Over the last 3 years, DC expended only 56% of the allocated \$844,890. 2008 Annual report was not delivered. Modification requests to carry over funding were not submitted. BLS has taken back over \$330,000 in FY 09 and 10 grant funds.
 - Dislocated Worker Funds- in 2nd quarter PY 2009, DC served only 6 individuals, and DOL required a corrective action plan for DOES to aggressively identify dislocated workers and provide services to them.
 - In the Base Realignment and Closure program, DOL has serious concerns about the low number of enrollments and lack of clients receiving training; DC received \$1 million, expended \$824,667, and trained only 10

individuals. DOL was awaiting a plan for increasing the number of trainees, especially in light of changes to occur at Walter Reed.

- In UI, DC is failing to meet the agreed upon State Quality Service Plan target of 38% timeliness in the area of Non-Monetary Determination Time Lapse. In the quarter ended 6/30/10, only 25.5% of agency decisions were in a timely fashion.
- DOL is not satisfied with performance of OAH- it averages 14 days above required performance measure of case adjudication within 30 days.
- DOL is seriously concerned about the backlog of UI cases awaiting appeal and awaiting decisions after appeal.
- DOL feels DOES has serious problems relating to the timely expenditure of both WIA and ARRA funds. Through April 2010, none of the ARRA Wagner Peyser allocation of \$535,285 had been spent; none of the ARRA Re-employment Services funds of \$892,142 had been spent. None of its WIA Youth, Dislocated Workers, or Rapid Response funds had been spent. Little of its State set-aside funding had been spent. There was \$8 million of unspent ARRA funds. Only \$1.9 of \$7.2 million for formula set-aside funding had been spent.

All of these deficiencies have led DOL to believe that there is a **SERIOUS SYSTEMIC SERVICE DELIVERY PROBLEM AT DOES.**

To the official DOL concerns, we can add our own. Enforcement of the First Source Employment Act is inadequate. We will testify more about this at the hearing later in March. Wait times for the UI Call Center can approach four hours for claimants to reach a live person. There are delays in initial eligibility determinations for UI beyond the 2-3 weeks DOL prefers. The Workforce Investment Council is weak and ineffectual and is not serving as the overseer and mover behind a coordinated comprehensive workforce development system in the City as envisioned in the federal Workforce Investment Act. Partially as a result, there is no coordinated comprehensive workforce development system in the City. There is no enforcement structure anywhere to make the Living

Wage Law, passed a few years ago, a reality. We could go on and on but time is limited.

When the District of Columbia has had unemployment overall greater than 9%, and in some wards of this city, greater than 30%, this record of achievement at DOES is abysmal at best and unacceptably negligent at worst. This record is the clear responsibility and dismal legacy of the Fenty Administration. DC residents, employers and workers deserve better. These problems must be corrected urgently. A new management team at DOES, which understands the federal programs and requirements and can effectively and professionally oversee implementation of these programs, must be put into place and held accountable. Workers must be appropriately managed and provided the tools to get the job done so that DOES can meet all federal program, performance and fiscal management and reporting requirements.

The good news- and there is some good news- is that this is a NEW DAY. We have a new Mayor with commitments to maximize job training and placement dollars and put DC residents to work. We have a City Council committed to making sure DC residents reap some of the benefits associated with the expenditure of public economic development dollars. We have a new DOES Director who has already been in contact with DOL, and has begun addressing the many and serious problems identified here. She has met already with the union representing DOES's employees, AFGE Local 1000, and this week she met with yours truly for an open and wide-ranging discussion of how to move forward to turn this agency around.

Since time for testimony is limited, Mr. Chairman, we will be submitting more detailed documentation to the Committee, including recommendations developed by a wide range of stakeholders for the Transition. But let it be known that organized labor- this labor council and its affiliated local unions, including the local union representing workers at DOES- is fully committed to working with any and all parties to get these worker-critical programs operating at top efficiency and exceeding all performance measures.

I will be happy to answer any questions you may have.