## **DEPARTMENT OF EMPLOYMENT SERVICES**



Testimony of Lisa María Mallory

Director

Department of Employment Services

**Vincent C. Gray**

Mayor

**Public Hearing**

before the

**COMMITTEE ON WORKFORCE AND COMMUNITY AFFAIRS**

**Honorable Councilmember Marion Barry, Chairman**

**on**

**Fiscal Year 2012-2013**

 **Department of Employment Services Performance Oversight**

**Monday, March 4, 2013**

**10:00 a.m.**

**Room 500**

## **John A. Wilson Building**

**1350 Pennsylvania Avenue, NW**

## **Washington, DC 20004**

Committee on Workforce and Community Affairs

Monday, March 4, 2013

Good afternoon, Chairman Barry and members of the Committee on Workforce and Community Affairs. I am Lisa María Mallory, Director of the Department of Employment Services. I am honored to be before you today on behalf of the employees at DOES to provide an overview of the challenges faced this past year as well as our accomplishments and efforts underway to achieve our mission – to put people to work.

Entering into our second year of transforming this important agency, I want to begin by thanking Mayor Vincent C. Gray for his tremendous leadership by not only making job creation and workforce development a top priority, but also for his commitment to tackle, head on, the tough problems the agency has faced. Quite simply, without his leadership and support, the hard work of reforming the agency during this troubled economy simply would not get done. I also want to thank you Councilmember Barry for your strong leadership in this city over many years. You have been very closely involved in the work of DOES for years, including your vision that created this City’s summer youth program. I look forward to working with you and this new Committee to continue to strengthen our programs and build on our successes. To the public witnesses and organizations who have testified today, I am grateful for your feedback which helps to strengthen the agency every day. Finally, I want to thank all of the employees at DOES for their continued service to our city’s residents. I am honored to be a part of the DOES team because of their dedication and commitment. Our work is not easy; the hours are long, but the rewards of putting District residents back to work make it all worthwhile. And I am pretty confident that we have some of the best, if not the best, employees working right here at DOES.

**DOES Challenges**

As this Council knows, the agency began transformation in 2011. The challenges, including decade-long systemic neglect, discovery of fraud and waste, lack of organizational and operational procedures, countless financial problems resulting from the agency’s cumbersome financial system, problems with contracting and procurement, underutilized technology solutions, uneven and poor performing Career Centers, former mismanagement of the Summer Youth Employment Program, an ineffective First Source program, lack of training in areas where jobs are available, and poor tracking of services have been well-documented by the Council, the U.S. Department of Labor, the Inspector General, DC Auditor, and other entities. The list was long, systemic, and substantial. These challenges also have been exacerbated by a troubled economy when job seekers need a strong workforce development system to support them the most.

**Highlights of DOES Accomplishments**

In 2011, DOES immediately began implementing strategies, both immediate and long-term, to address and resolve these long-standing, systemic issues and to immediately improve service delivery. DOES implemented Standard Operating Procedures (SOPs) in areas of the agency that never had them, implemented 88 new policies and guidances, 21 forms and one (1) administrative order to improve agency operations to help employees do their jobs better, to promote transparency, and to allow for a centralized, archiving process to ensure predictable end results are sustained and repeated, even if employees depart or leadership changes.

DOES also launched a probe with the Executive Office of the Mayor, the Office of the Attorney General (OAG), the Office of the Inspector General (OIG) and the Department of Human Resources (DCHR) to investigate individuals who were defrauding the District government and to recover these funds. We also reduced lease costs by relocating 100 DOES employees into the new DOES Headquarters, resulting in $47 million dollars in savings over ten (10) years. We reduced the cap for training providers to align the District’s training costs with the costs of training neighboring jurisdictions paid. In Fiscal Year 2012, Mayor Gray and the Council strengthened the First Source program by signing the new law. We instituted debit cards in the unemployment insurance program to eliminate duplicate checks and fraud – saving millions of dollars in postage. We changed our financial systems and reporting structure to the Government Operations Cluster in the Office of the Chief Financial Officer which has resulted in a significant improvement in our ability to not only have visibility into our budget, but also to ensure reporting is done timely and accurately to protect our precious funds.

Further, DOES also significantly improved the operations of a formerly mismanaged Summer Youth Employment Program and budget, not only coming within budget and serving over 14,000 youth each year since 2011, but also ensuring employers have the opportunity to meet the youth participants in person prior to the start of summer. SYEP now also ensures all youth provide documentation to prove they are eligible, and the Office of Youth Programs makes sure all SYEP deadlines are publicized and followed. For two years now, pay has been on time and accurate, and youth have meaningful work experiences.

DOES also invested in the agency’s employees by offering professional development and training, issuing culture surveys to determine what areas need improving, creating an employee advisory committee, instituting guidance for one-on-one meetings between managers and employees, offering special awards for outstanding employees, and offering one-on-one meetings with me – all in an effort to improve employee morale and customer service quality to our constituents. Our latest employee satisfaction survey showed that most employees agree with the direction of the agency. In the next two months, we will be providing customer service training to all of our agency employees. We will strive to be the most customer-friendly agency in this City. We believe that a strong emphasis on customer service is what is needed for our entire workforce in the District of Columbia, so we are ensuring that our own DOES team has the skills and resources to better serve our customers.

Additionally, DOES recommended, the Mayor introduced, and this Council passed legislation to allow DOES to issue grants. Since April 2012, DOES has issued $4.5 million in grants to 40 providers serving 1,776 District residents that support the agency’s single mission – to put people to work. These grant opportunities went through a vigorous grant process to ensure the best qualified vendors were chosen fairly. Further, DOES’s Fiscal Year 2013 in-school youth program continues to serve up to 210 young people through several providers. To strengthen this in-school programming and to correct former errors and omissions in the grant process for these federal grants, DOES, in conjunction with the Workforce Investment Council, has already posted a Request for Application last Friday to ensure that more youth are served – as quickly as possible – and the District is in the best position possible to do so.

In Fiscal Year2012, DOES also created innovative programming, including the nation’s first government program tailored to members of the transgender community who face employment barriers and violence, as part of Mayor Gray’s effort to support members of the transgender community. In FY12, the Transitional Employment Program/ Project Empowerment also began offering entrepreneurship training to teach participants how to develop business plans, fund their own businesses, and get paired with experienced business operators to increase their likelihood of launching a successful business. These individuals, many of whom are returning citizens, are learning skills to build businesses in graphic arts, cyber security, and fitness, among other interests.

And just last month, Project Empowerment participants began working at Union Kitchen, the city’s first culinary incubator, which offers access to **low-cost, low-risk, full-service commercial kitchens for District businesses to grow**and establish their operations. In this partnership with DOES, Project Empowerment participants will build kitchen and facilities management skills and also start culinary businesses at Union Kitchen. These opportunities are innovative, as they not only **train** District residents for jobs, but also **create** jobs for District residents.

We will also expand opportunities for participants in Project Empowerment by partnering with the District of Columbia Courts to launch a fatherhood initiative that will support fathers who are unemployed, possess significant barriers to employment barriers, and have difficulty paying child support. We have also entered into a Memorandum of Understanding with the Office of Returning Citizen Affairs to ensure we jointly work to reduce the barriers they face to employment.

The improvements are significant but just the start. They are needed to ensure we are good stewards of our funds; that we invest in our employees; and that we best serve District residents in their efforts to get back to work. The Mayor also launched the *One City • One Hire* initiative and its ancillary brand *Path2Work/Path2Career,* designed as a series ofpre*-*screening, training, and hiring events tailored for various and distinct populations, such as youth, mature workers, and veterans,to begin to serve District residents immediately by connecting them to hiring employers. Thanks to the Mayor’s focus on job-creating economic development projects and *One City • One Hire,* the District’s unemployment rate has dropped from a high of 11.2 percent to 8.4 percent in November 2012 – the lowest in four years; and we’ve partnered with over 870 employers to hire over 5,548 District residents – 58% of them living in Ward 5, 7, and 8 – where the unemployment has been highest.

These are just a few of our accomplishments to date. We are still not where we want to be. We’ll continue to work until every District resident who is able to work and wants to work, gets a job by building upon these successes to ensure District residents are connected to relevant job training and to employers who are hiring now.

I certainly look forward to even more transformation, particularly in the areas of data tracking and customer relationship management for employers. As you know well, the agency has never been able to track and report real-time data. We are currently working with other District agencies, including the Department of Human Services, Child & Family Services Agency, Department of Youth Rehabilitation Services, Department of Mental Health, Office of the State Superintendent of Education, Department of Housing and Community Development, and other agencies, to collect and track data across agencies that deliver services to many of the same individuals and families we all serve. We will also continue our collection of requirements for the modernization of the unemployment compensation program and hope to begin with implementation of a solution in our tax area by the end of this year. We continue to automate our business processes and eliminate paper, while reviewing our program operations to eliminate backlogs and long processing times.

With the launch of *One City · One Hire*, we developed a simple online application for employers and job seekers which was designed to support even those who have never used a computer. The application helps connect unemployed District residents to *Path2Work/Path2Career* events and our American Job Centers and hiring employers. We will expand this application in Fiscal Year 2013 to ensure job seekers can access it on their smart phones – devices many individuals without computer Internet access already have – while sending push-notifications to employers so they receive resumes of qualified District residents sent to them right on their mobile devices as part of our effort to strengthen our customer relationship management system and bolster our business solutions team. We are excited by these innovations to create the shortest path between an employment opportunity and a perfect candidate.

**Sequestration and Transformation**

Before I close, I’d like to take a few minutes to briefly address sequestration, which we’ve all been hearing about on the news. It’s a term used to describe a set of automatic federal cuts that went into effect on midnight, March 2nd. As most know, the District will not immediately see any impact to local services. However, as federal employees who **work** in the District begin to be furloughed or laid-off, the Department of Employment Services’ Office of Unemployment Compensation will see an increased demand to process federal worker unemployment insurance claims. Additionally, it is expected that the federal Emergency Unemployment Compensation (EUC) program, which provides an extension of benefits beyond 26 weeks of regular unemployment, will begin to see reductions in their benefit amounts over time. DOES continues to communicate with the U.S. Department of Labor to get up-to-date information, and we have already begun to share information with those affected through our website, interactive voice response phone system, and Call Centers. As more concrete details emerge of the full impact of sequestration on federal workers and our EUC recipients, we will also communicate this information via proactive robo-calls and emails.

As I close, I want to take a moment to also thank my boss Deputy Mayor Victor Hoskins for his leadership in viewing workforce development and economic development as so closely linked. In addition, I want to thank the residents of the District of Columbia and the neighborhood ANC Commissioners for their feedback and support. I continue to hear from you, and I’m grateful to stay connected to District residents and their concerns.

And finally, I want to take this closing moment to encourage all youth who have applied for the 2013 Summer Youth Employment Program to bring us your documents by Saturday, March 9th to ensure you meet the next step in the program. Visit [summerjobs.dc.gov](http://www.summerjobs.dc.gov) to get the list of final eligibility certification events. And for those District residents, who are looking for work, please visit [OneCityOneHire.org](http://www.OneCityOneHire.org) to register. We want to meet you, support your efforts to receive training, and prepare to connect you to a hiring employer. Lastly, if you are an employer and watching this and you want to increase your bottom line by selecting new employees from the best talent pool in the country, please visit [OneCityOneHire.org](http://www.OneCityOneHire.org) for details.

Thank you again for this opportunity to testify. I look forward to your questions.