DEPARTMENT OF EMPLOYMENT SERVICES

Public Roundtable on Proposed Resolution, 19-0252, the "Director of the Department Employment Services Lisa María Mallory Confirmation Resolution of 2011"

Testimony of Lisa María Mallory
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Vincent C. Gray
Mayor

COMMITTEE ON HOUSING & WORKFORCE DEVELOPMENT
Honorable Councilmember Michael Brown, Chairman

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Room 123
John A. Wilson Building
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19-0252, "Director of the Department Employment Services Lisa María Mallory Confirmation Resolution of 2011

Public Roundtable
Committee on Housing & Workforce Development

Thursday, June 24, 2011

Good afternoon Chairperson Brown and members of the Committee on Housing & Workforce Development. My name is Lisa Maria Mallory and I am honored to be Mayor Vincent Gray's nominee for Director of the Department of Employment Services. I am pleased to be here to testify before you today. I am also sincerely appreciative to the witnesses today for their comments and those who wrote letters supporting my nomination. And I want to thank my DOES colleagues, some present here today, for all of their enthusiasm and continued hard work in furtherance of DOES' mission.

As this committee knows, one of Mayor Gray's top priorities is job creation which includes a transformation of the Department of Employment Services (DOES) as a critical component of a strong strategic workforce development system for the city. I was appointed by Mayor Gray on April 4, 2011 to lead this transformation and I am tremendously motivated by this opportunity.

Background

I'd like to start by taking a bit of time to share my background and experience. I am a 25+ year resident of the District of Columbia currently

residing in Ward 4. I will briefly share my professional history, but I want to share that I raised two daughters as a single mother while working two jobs and being in school full time trying to improve my chances in life. I have lived from paycheck to paycheck and I have had to seek midlife career retraining to stay relevant in this economy. I have been downsized and laid off. In short, I am no stranger to many of the struggles that our workforce faces on a daily basis. Even now, I continue to be a lifelong learner as I work full time and educate myself further. I received a Bachelor of Science from the University of Maryland, a Masters in Business Administration from George Washington University and pursued doctoral studies in Public Policy at George Mason University which I am completing at Walden University with specialization in Public Sector Management and Leadership.

I have worked as a federal government employee for over 20 years including at the U.S. Department of Justice, U.S. Department of Health and Human Services, Social Security Administration and I was detailed to the White House's National Performance Review where I served as Deputy Director and Chief of Staff. I also led the District Government's Center for Innovation and Reform in 2004. I have worked in private sector consulting and at the Fannie Mae Foundation and have served on the boards of many non profits in the District of Columbia.

I have been charged with leading large scale government transformations under former Vice President Al Gore's National Performance Review, including reinventing the disability adjudication program at the Social

Security Administration. Organizational transformation is at the core of what I have done professionally over the years, I am excited to lead the transformation of this most critical government agency.

DOES Challenges

As this Committee knows, DOES has experienced some significant challenges over the years that have been reflected in the performance of the agency – from lack of organizational and operational procedures, to the agency's inability to spend all of its federal funds, to running poor performing Career Centers, to former mismanagement of the Summer Youth Employment Program. DOES' underperformance has been well documented by the U.S. Department of Labor.

As part of the Mayor's vision to transform DOES, the agency is in the process of a top to bottom operational review. The new emphasis on DOES transformation and modernization will integrate the best technology, implement standard operating procedures in every unit of the agency – including cost saving measures in every area – to result in a return on investment for every dollar spent and a maximization of precious resources.

As Director, I not only want to stabilize the agency in the short term, I am also working with staff at all levels to improve service to job seekers, employers, and stakeholders while ensuring that every federal and local dollar we receive is spent wisely. The agency's focus is on achieving

business results, as well as employee and customer satisfaction, which I have done successfully at the federal, state, and local levels of government.

Empowering Employees to Provide Quality Customer Service

Transformation of this agency, in my mind, begins with ensuring that proper management tools and operating procedures are in place and managers and employees are focused on one thing: making certain that the customer is the number one priority. I am encouraged daily by the energy of the employees of the agency, and as Acting Director we have implemented several initiatives to ensure that the voices of employees are heard by management and that structures are in place to ensure agency direction and performance accountability.

We just established a DOES Employee Council, a 15-member board of employees who will facilitate networking and the exchange of ideas and suggestions for various employee functions and ways to enhance employee satisfaction and work effectiveness. Employees were randomly selected to participate. Also, the "One DOES – One City campaign" encourages employees to submit agency cost-savings ideas, directly to the Director's office. Judged by a panel of managers and employees, top awards will be given monthly. We've already received a remarkable idea from one DOES employee which could potentially save the agency up to $1 million per year in printing, labor and other indirect costs by replacing the paper pay stubs of those who receive unemployment compensation with electronic copies. We are currently exploring implementation of this idea right now. DOES

managers are required to have one-on-one weekly meetings with their staff and I invite all staff to brown bag lunches in our community room to share ideas and concerns.

Further, just this week, the agency welcomed several new senior level managers – who have spent time or currently live in the District – and have built regional and national reputations in their areas of workforce development expertise. These managers each competitively competed for their senior-level positions. On Monday, DOES welcomed a Deputy Director for Policy, Performance, and Economics, a workforce development professional with a Ph.D. in Economics from Howard University and previously served as Deputy Commissioner for the New Jersey Department of Labor and Workforce Development. Mr. James Moore is here with us today. I am particularly excited about his appointment to ensure the development of key policy initiatives that ensure managers are held accountable and staff know what is expected of them. Additionally, our labor market information division has been without a leader for several years and is a key part of the agency to make certain that the District invests its precious workforce dollars wisely – only funding in high demand areas where jobs are or will be created.

With the appointment of a new Associate Director for One Stops, our Career Center locations will experience many changes needed to ensure that these Centers provide effective, measurable, workforce development training and support to youth and adults seeking work. We have many

ideas for improvement, from adding more partners and programming, to ensuring partnerships with other agencies like the Department of Human Services so that we can coordinate on service delivery. I will continue to promote from within the agency and recruit well-qualified employees to help lead this transformation.

Cost Savings and Agency Modernization

While an employee-focused agency is key to the success of its transformation, cost-savings and modernization are equally as important. A cost-savings emphasis for DOES is critical now more than ever given our fiscal constraints in the District of Columbia and nationwide.

I have developed a modernization unit that will become operational in the next few weeks that will be charged with putting in place necessary resources, including technological advancements and training where necessary, to improve cost savings and add greater efficiency to agency operations. This unit will also ensure proper spending and budget transparency so federal dollars are not returned to the U.S. Department of Labor.

One of the first steps to ensure cost savings is currently underway. Through our research on best practices and benchmarking, DOES recently discovered that the District of Columbia pays, in some instances, twice as much as our neighboring jurisdictions for the same training from the same providers. To that end, we have reduced by 50% the ceiling on individual

training accounts thereby allowing us to double the number of customers we can serve. We are looking at ways to significantly reduce postage costs in addition to implementing the District's debit card program for the payment of Unemployment Insurance benefits. We are working with our vendors to decrease costs by renegotiating and in some instances terminating some services.

Unemployment Modernization and Reemployment

As the city's workforce development agency, our work is keenly important to improving the lives of District residents and improving the general economy. We provide basic income replacement services like unemployment compensation for job-seekers and aim to successfully re-connect them back to the labor force. We provide adult training in high demand areas where jobs exist or are growing. While doing this crucially important work, we must ensure that the District and the federal government are able to see the return on their investments. This is the time when we need to do more with less, which requires a rethinking of the way we do business.

The District's out-dated and antiquated legacy mainframe unemployment insurance computer system does not meet the needs of District residents or businesses. The rapid increase in unemployment claims due to the poor economy exacerbates this concern. This economic situation requires the District to transform its system and its approach to support these recently separated job-seekers' return to the workforce. With support from the City

Council who made changes to the unemployment law, DOES has applied for and received federal American Recovery & Reinvestment (ARRA) funds to modernize this system and has begun reform of this key and basic income replacement program. This modernization program will be modeled after jurisdictions that have successfully completed this type of program and will be done in a consortium with other jurisdictions and facilitated by the National Association of State Workforce Agencies who consider this a best practice. Modernization will result in a fully integrated system by unifying DOES's unemployment and re-employment workforce development systems by making key systems and program improvements to match employer requirements with training opportunities of those recently unemployed. Full modernization will be completed by 2014.

Education and Impact of Economy

The Mayor's vision of "One City" focuses on the essential needs of the city and its residents. Since job development is a key part of this vision, centering DOES services on education – whether it means obtaining certification or degrees in a high-demand occupations, acquiring literacy skills, or soft skills for the city's most underserved population – is a key way to ensure the District's residents become more competitive in the job market.

To this end, the District is ensuring that DOES partners with other District agencies, most notably the two-year old Community College of the District of Columbia (CCDC). We are also partnering more strategically with most

agencies including the Department of Disability Services, the Department of Human Services, the Department of Youth and Rehabilitative Services, and the Office of Ex-Offender Affairs, to maximize our resources and strengthen our service delivery model.

The District's unemployment rate is declining at a much slower pace than the national jobless rate, as well as that of other local jurisdictions. We know that people – some with barriers to employment, and some without barriers, are still looking for work. Many have been looking since this recession started. For those with a criminal background, the job opportunities are even more limited. To creatively address this difficult challenge, DOES will, for example, partner with District agencies and community based organizations to provide access to entrepreneurial training programs and financial literacy skills. We hope to unveil this program in the next fiscal year beginning in October, 2011.

Final Thoughts

Finally, I want to make just a quick mention that on Monday, District and federal agencies including the White House, the private sector, community based organizations, the District Government and the DC City Council will welcome 12,000 youth for the first day of Mayor Gray's Summer Youth Employment Program. We are particularly excited about this year's program after months of preparation. As most of us know, this year, the program serves fewer youth and includes several Council, stakeholder, employer, and participant suggested enhancements. This year employers

had a chance to meet youth at a job expo held in April. Additionally, youth applied to the program, brought in their documents to prove eligibility at several events held throughout the city, and each participated in a mandatory in-person orientation to learn about what is expected of them through the summer. We are also working with our fellow District agencies and community based organizations to find other activities and employment opportunities for youth and this information can be found at www.onecitysummer.dc.gov.

On behalf of the DOES employees, I can tell you that we look forward to carrying out Mayor Gray's vision and continuing to serve the residents of the District of Columbia. I look forward to working with you, the Department of Labor, community stakeholders, other District agencies, training providers, employers, and customers to develop a workforce development system that effectively and efficiently serves District residents.

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