MURIEL BOWSER
MAYOR

SEP 15 2017

The Honorable Phil Mendelson
Chairman, At-Large
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

Pursuant to provisions outlined in D.C. Official Code §2-219.04, as amended, I am transmitting the Semiannual First Source Report for the period January 1, 2017 to June 30, 2017 for distribution to members of the Council of the District of Columbia. The report offers the number of First Source agreements that were executed for government-assisted projects and contracts, the number of hires that resulted from those agreements, the number of District residents actually employed in government assisted projects or contracts, and the number of unemployed District residents on the First Source Register.

I look forward to continuing our work together as we improve the quality of life for citizens of the District of Columbia.

Sincerely,

Muriel Bowser

Enclosure

GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

DEPARTMENT OF EMPLOYMENT SERVICES

FIRST SOURCE PROGRAM
SEMI ANNUAL REPORT
January 1, 2017 – June 30, 2017

OVERVIEW OF THE
FIRST SOURCE EMPLOYMENT PROGRAM

The Department of Employment Services oversees the First Source Program (First Source), charged with monitoring and enforcing the requirements of the Workforce Intermediary Establishment and Reform of the First Source Amendment Act of 2011 (D.C. Official Code §§ 2.219.01 – 2.219.05). Program operations are aligned within the Office of Wage-Hour (OWH). Under the OWH, First Source will strengthen its operations and performance to ensure that all government assisted funded projects or contracts are effectively monitored and the law enforced.

For more than 30 years, the First Source Program has been an integral part of the District's strategy to reduce unemployment. First Source ensures that District residents receive priority consideration for all new jobs created by municipal financing and development programs. Under the law, 51% of all new hires on any government-assisted project or contract between $300,000 and $5,000,000 must be District residents. Over the years, various amendments have been added to strengthen or relax requirements, in an effort to appropriately administer the program.

The Way to Work Act of 2006 expanded coverage beyond the construction industry by expanding the definition of contracts to include any recipient that receives government assistance from the District government. This act also defined direct beneficiaries to include retail and commercial tenants. The Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011, which went into effect on February 24, 2012, enacted substantial changes to the First Source Law, including the following:

The First Source hiring process begins with a formal written agreement between the employer and DOES. The first commitment is that the employer will "use DOES as its first source for the recruitment, referral and placement of employees." The agreement spells out other specific requirements of the District's original First Source Law and its amendments. The DOES First Source compliance team monitors the progress made on each project and ensures that each employer (contractor or subcontractor) follows the provisions of the law and the terms of their executed First Source Agreement.
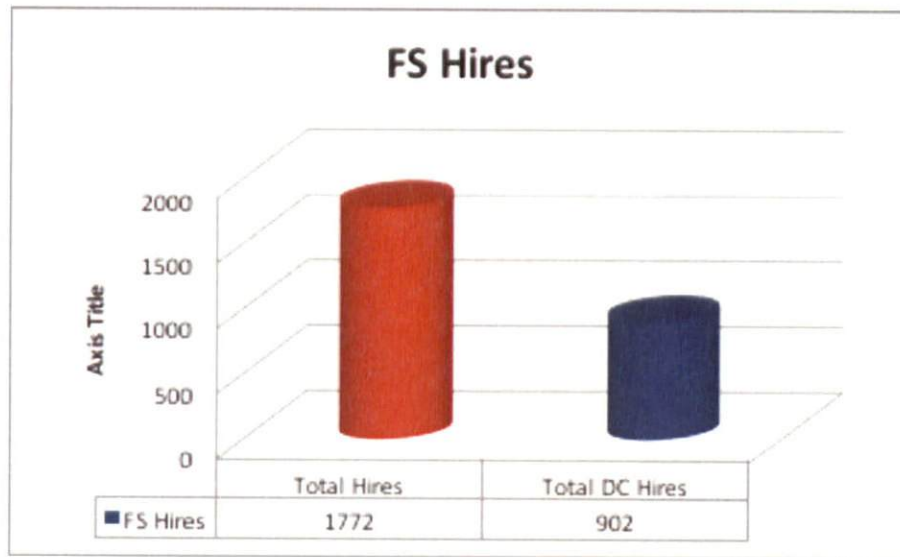
FIRST SOURCE SEMI-ANNUAL REPORT

During the period of January 1, 2017 – June 30, 2017, there were 576 executed First Source agreements. To date, 135 new job openings have been posted in relation to these 576 agreements. A total of 1,772 total hires have been made, with 902 of these total hires being filled by District residents, approximately 51% of all hires.

First Source worked in collaboration with Department of Employment Services Business Services Group, Office of Apprenticeship and American Job Centers to assist Employers with recruitment, placement and referrals to ensure qualified District Residents are being hired and are working on First Source projects.

First Source Employment Agreement **D.C. Code 2-219.01-2-219.05** **Semi-Annual Report** **For the Period of January 1, 2017 – June 30, 2017**	
Total number of First Source Employment Agreements received from January 1, 2017 – June 30, 2017.	576
Number of job openings listed with the Department of Employment Services from January 1, 2017 – June 30, 2017 connected to First Source Employment Agreements.	135
Total number of individuals hired from January 1, 2017 – June 30, 2017 on contracts subject to First Source Employment Agreements.	1772
Number of District residents hired from January 1, 2017 – June 30, 2017 on contracts subject to First Source Employment Agreements.	902
The percentage of hires from January 1, 2017 – June 30, 2017 on contracts subject to First Source Employment Agreements who reside in the District of Columbia.	51%
The number of unemployed District of Columbia residents on the First Source Register.	4290

Employment status at application time=Not Employed: 4282. Employment status at Application time=Employed, but received notice of termination of employment 8.

FS Hires

	Total Hires	Total DC Hires
FS Hires	1772	902

SUMMARY OF FIRST SOURCE COMPLIANCE, OUTREACH, & TECHNICAL ASSISTANCE ACTIVITIES
(January 1, 2017 – June 30, 2017)

The First Source team engaged in the following activities:

- Collaborated with multiple District agencies to execute and manage 567 First Source Employment Agreements.

- Provided outreach to 500+ Employers to inform them of the First Source Agreement Requirements through orientations, introductory meetings, vendor workshops and vendor forums.

- Provided multiple training opportunities focused on successful implementation of the First Source Online Registration and Reporting System in order to ensure accurate and timely reporting.

- Conduscted compliance monitoring on 285 existing projects/contracts spanning 792 agreements during the reporting period (January 1, 2017 – June 30, 2017).

- Conducted 1,581 total compliance related reviews (including desk audits and site visits) of the First Source Employment Agreement requirements.

DEPARTMENT OF EMPLOYMENT SERVICES

FIRST SOURCE PROGRAM