


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: December 15, 2017

SUBJECT: Fiscal Impact Statement – Workforce Development System
Transparency Act of 2017

REFERENCE: Bill 22-401, Draft Committee Print sent to the Office of Revenue
Analysis on December 15, 2017

Conclusion

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will have no cost in fiscal year 2018, but will cost \$190,000 in fiscal year 2019 and \$695,000 over the four-year budget and financial plan.

Background

The bill requires¹ the Workforce Investment Council (WIC) to submit annually to the D.C. Council a guide on the District's workforce development and adult education programs. For each program, the guide must include information on funding sources, program participants, services provided, and performance metrics. If a program uses a vendor outside of D.C. government to provide services, the information must be delineated by vendor. The bill requires WIC to make the guide available as a digital spreadsheet that can be manipulated.

The first version of the guide is due February 1, 2019, and must include information on workforce development and adult education programs overseen by seven agencies: Department of Disability Services (DDS), Department of Employment Services (DOES), Department of Human Resources (DCHR), Department of Human Services (DHS), Deputy Mayor for Greater Economic Opportunity (DMGEO), Office of the State Superintendent of Education (OSSE), and WIC. The performance metrics in this version of the guide are limited to those that District agencies already track or are required to track under current law.

¹ By amending Section (4)(f) of the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code § 32-1603(f)).

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The second version of the guide, due February 1, 2020, must include information on workforce development and adult education programs overseen by any District agency. As with the previous guide, this version requires reporting only on performance metrics agencies already track or are required to track.

The third version of the guide, due February 1, 2021, and all subsequent versions of the guide require reporting on additional performance metrics beyond what was required in the previous guides. The additional performance metrics will be program completion rates and the following metrics required by the federal Workforce Innovation and Opportunity Act:²

- Employment rate of participants, 2nd quarter after program exit (or, for youth, the percent of participants in education or training activities);
- Employment rate of participants, 4th quarter after program exit (or, for youth, the percent of participants in education or training activities);
- Median earnings of participants, 2nd quarter after exit, for those employed;
- Percent of participants enrolled in an education or training program who attain a postsecondary credential or secondary school diploma during participation in the program or one year after exit; and
- Measurable skills gains, which can be measured a variety of ways, such as through pre- and post-tests or progress on program milestones (equivalent to a satisfactory or higher level).

The primary means of collecting data for the new performance metrics should be the use of electronic databases, such as the unemployment insurance wage database, the National Student Clearinghouse, and the Federal Employment Data Exchange system, when possible, though agencies can also survey program participants and use their discretion on the best methods for data collection. DOES is required to share data from unemployment insurance wage records, if requested.

Excluded from the guide are programs serving children and youth in the traditional K-12 education system; four-year college and post-bachelors degree programs; and scholarship programs for post-secondary, degree-granting, credit-based programs. To report on programs run by charter schools, WIC can use only publicly available information.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will have no cost in fiscal year 2018, but will cost \$190,000 in fiscal year 2019 and \$695,000 over the four-year budget and financial plan.

The guide will include data on approximately 100,000 participants in programs run by at least 20 District government agencies.³ To gather and present this data, WIC will need \$190,000 a year to

² Specifically the metrics required by section 116(b)(2) of the Workforce Innovation and Opportunity Act (WIOA), approved July 22, 2014 (128 Stat. 1471; 29 U.S.C. § 3141(b)(2)), and related regulations and sub-regulatory guidance published by the U.S. Department of Labor, excluding measures of effectiveness at serving employers.

³ According to past efforts to gather this data, such as a guide published by the DC Fiscal Policy Institute, and another used for a CapStat meeting held by the Office of the City Administrator.

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hire two program analysts. The program analysts will create the template for the guide; train agencies on the data they must submit, including the new performance metrics; provide technical assistance to agencies; gather, clean, and analyze data from agencies; and coordinate data-sharing agreements, such as those needed to access the National Student Clearinghouse and DOES's unemployment insurance wage records. The analysts will begin work on the first guide in October 2018.

There will be an additional cost of about \$58,000 a year, beginning in fiscal year 2020, for agencies to access the National Student Clearinghouse database. The database provides information from colleges and universities on students who are enrolled or have completed a degree. This funding should allow agencies to gather data on at least 36,000 people a year, based on the cost of access to the database for OSSE.

Cost of Implementing the Workforce Development System Transparency Act of 2017					
	FY 2018	FY 2019	FY 2020	FY 2021	Four-year Total
WIC program analysts (2 FTEs)	\$0	\$190,000	\$193,000	\$196,000	\$579,000
Access to National Student Clearinghouse database	\$0	\$0	\$58,000	\$58,000	\$116,000
TOTAL COST	\$0	\$190,000	\$251,000	\$254,000	\$695,000

Table assumptions:

(a) WIC program analysts will begin work on the first guide in October 2018

(b) The program analysts will be Grade 12/5. Costs in the table above include salary and fringe benefits and assumes increases of 1.7 percent a year.

(c) Costs for the National Student Clearinghouse database assumes agencies will need to track 36,000 people collectively, at a cost of \$1.60 per person.

While there is no cost for DOES to access the unemployment insurance records, providing additional data beyond what it already gives agencies will take additional staff time, which could lead to an additional cost. DOES already plans to provide wage data to agencies such as the Department of Behavioral Health, DDS, DHS, OSSE, and WIC. Under the bill, DOES would likely share data with several more agencies, and might need to process larger datasets for agencies with which it already shares data.

The amount of work needed to report on the new performance metrics will vary by agency. Many agencies already receive WIOA funding and do the required reporting. OSSE, for instance, believes it already does most of the reporting for programs affected by the bill and the University of the District of Columbia believes it can comfortably report on the metrics. DOES already reports on WIOA metrics for some of its programs, but the bill could expand the programs for which the reporting is required. For other agencies, reporting the new metrics could be a bigger lift. DHS, for instance, would have to determine how to track youth in training activities and how best to define a program exit, though it believes it could easily report on wages with DOES-provided data. Without the new performance metrics in place, it is difficult to predict how much of this additional work an agency may be able to absorb. In many cases the work of tracking program outcomes will fall to service providers funded with grants, in which case new grant agreements will need to incorporate the new requirements.