

**Testimony for the Budget Oversight Hearing on the
Department of Employment Services (DOES) Office of Unemployment Compensation
Committee on Labor & Workforce Development
May 4, 2017**

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The Legal Aid Society of the District of Columbia¹ (Legal Aid) submits this testimony on the proposed budget of the Department of Employment Services (DOES) with special attention paid to the Office of Unemployment Compensation.

Legal Aid has two primary concerns with DOES's FY2018 budget. First, DOES continues to underspend federal funds despite a demonstrated need for employment services for vulnerable District residents. Second, the budget does not provide an adequate explanation for increases or decreases in spending in certain program areas, including the Benefit Payment Control Unit and Tax Collection.

I. DOES should maximize spending of available federal money for unemployed residents.

As in past years, DOES continues to spend less than it has available in federal funding. For example, last year, DOES spent only \$65 million of the \$78 million available federal funding for employment services. While part of this underspending may be attributed to the multi-year structure of federal grants for employment services, we cannot ignore that this pattern of underspending has recurred year after year for the past several years.

There is no doubt that District residents need high-quality, effective employment services and workforce development programs. It is unacceptable that DOES's youth program serves only 50 people, when there is such a high rate of youth unemployment among our lowest income neighbors. Legal Aid asks this Committee to continue to oversee agency operations to ensure that this budget is well spent. DOES can and should be utilizing all allocated funds to support unemployed and underemployed workers.

¹ The Legal Aid Society of the District of Columbia was formed in 1932 to "provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs." For 85 years, Legal Aid attorneys and volunteers have served tens of thousands of the District's neediest residents. Since 2011, Legal Aid has represented or counseled low-income claimants in unemployment matters at the Department of Employment Services, Office of Administrative Hearings, or the District of Columbia Court of Appeals. By helping claimants receive the benefits they are legally entitled to, Legal Aid helps prevent evictions, utility terminations, and other collateral consequences of unemployment. For more information visit www.LegalAidDC.org, and our blog, www.MakingJusticeReal.org.

II. Additional Explanations are Needed for Office of Unemployment Compensation Budget Changes

Legal Aid's review of the DOES FY 2018 budget raises several questions about spending changes in the Office of Unemployment Compensation.

First, we request an explanation for increasing the Benefit Payment Control Unit staff from nine full time employees (FTEs) to fifteen FTEs, for a total cost of \$389,000. Legal Aid is already concerned about operations in the Benefit Payment Control Unit, as testified to during the performance oversight hearings, including that many claimants are being charged with a 15% fraud penalty that may not be warranted by the evidence collected by DOES. We wish to know if the increase in staff will lead to an even greater increase in these efforts.

Second, we request an explanation for why the Tax Collection staff is being decreased by seven FTEs for a total cost savings of \$1.1 million. The recent increase of the maximum weekly benefit amount from \$359 to \$425 per week makes it more important than ever that unemployment compensation tax collection efforts are robust. We wish to know how the agency will continue to ensure adequate tax collection efforts with a reduction in staff.

Conclusion

Legal Aid thanks the Committee for the opportunity to submit this testimony on the DOES FY18 budget.