



Review of Marion S. Barry Summer Youth Employment Program Data and Activities

June 2, 2016

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What ODCA Found

During the summer of 2015, 13,969 youth between the ages of 14 and 24 participated in the Marion S. Barry Summer Youth Employment Program (MBSYEP) and program expenditures totaled \$19.3 million. In its review of available data on program activities, support services, budget and finances, management, participants, and outcomes, ODCA found the following:

- Most MBSYEP placements (78 percent) in the summer of 2015 were with District government agencies and community-based non-profit organizations.
- The Department of Employment Services (DOES) contracted with 21 community-based non-profits to provide enrichment services such as workplace readiness, financial literacy, and career exploration. DOES also signed memorandums of understanding with six D.C. government agencies to provide structured summer programs for MBSYEP participants.
- Although reported FY 2015 MBSYEP expenditures (covering the summer 2015 program) were \$18.0 million, \$1.3 million in MBSYEP expenditures were charged to DOES' Year Round Youth Program and Local Adult Job Training budgets. Therefore, actual MBSYEP expenditures for FY 2015 totaled \$19.3 million.
- The total FY 2016 budget for the MBSYEP has grown from \$15.2 million to \$20.3 million through a \$4.8 million allocation from the District's contingency reserve fund and a \$250,000 inter-agency transfer. The additional funds were needed to continue serving youth ages 22 to 24 in the summer of 2016 and to reflect wage increases and a transportation subsidy.
- Although the summer 2015 MBSYEP ended on August 7, 2015, DOES made adjustments in youth participant data until late January 2016.
- The vast majority of youth (93 percent) enrolled in the summer 2015 MBSYEP were between the ages of 14 and 21, and almost three-quarters lived in Wards 5, 7, or 8.
- Although DOES reported that 247 summer 2015 MBSYEP participants between the ages of 22 and 24 were placed into jobs by December 31, 2015, the placements were not sufficiently documented.

Why ODCA Did This Audit

The Council enacted legislation in 2015 directing ODCA to "conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives." This report, which summarizes available data on the summer 2015 Marion S. Barry Summer Youth Employment Program (MBSYEP), is part of ODCA's effort to fulfill the Council's directive and inform discussions of how to make the program as effective as possible.

What ODCA Recommends

This report makes three recommendations to improve the operations and outcomes of MBSYEP.

First, all MBSYEP budget data should be recorded within the Department of Employment Services (DOES) program code 4820 ("Summer Youth Employment Program") to provide an accurate and comprehensive tracking of program revenues and expenditures.

Second, DOES should establish a firm close-out date, no later than three months after the end of the summer program, after which MBSYEP participant data will not be changed.

Third, DOES should work more closely with employers to track the employment outcomes of MBSYEP participants, particularly those in the 22- to 24-year age group. The Council has authorized the participation of these young adults in MBSYEP through the summer of 2017. Better employment data will help inform the Council's decision-making on whether to continue serving 22- to 24-year-olds after 2017.

DOES provided thorough comments (attached at the end of this report) on a draft of this report. DOES stated that it agreed with the first two of ODCA's recommendations and partially agreed with the third recommendation.

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Background

The Marion S. Barry Summer Youth Employment Program (MBSYEP) has been a focus of the Council of the District of Columbia (Council)'s attention because of its broad objectives, scope, and cost. The MBSYEP has typically been a six-week program administered by the D.C. Department of Employment Services (DOES) that provides summer jobs to youth on a first-come, first-served basis. The program's goal is to provide D.C. youth with "enriching and constructive summer work experiences through subsidized placements in the private and government sectors."¹

D.C. law provides that the program shall annually employ between 10,000 and 21,000 youth between the ages of 14 and 21.² In addition, the program was authorized to include up to 1,000 young adults between the ages of 22 to 24 during the summer of 2015.³

In February 2016, the Council approved and Mayor Bowser signed emergency legislation (effective for 90 days) to authorize the participation of up to 1,000 22- to 24-year-olds during the summers of 2016 and 2017.⁴ The Council subsequently approved permanent legislation that extended the authorization to serve 1,000 22- to 24-year-olds through the 2016 and 2017 summer youth programs. The legislation was signed by the Mayor and took effect on May 12, 2016.⁵

MBSYEP expenditures totaled \$14.0 million in fiscal year (FY) 2014, \$19.3 million in FY 2015 (including \$1.3 million charged against DOES' Year Round Program and Local Adult Training budgets), and the summer youth employment program has a \$20.3 million budget for FY 2016.⁶

The DOES Office of Youth Programs (OYP) manages workforce development programs for District youth ages 14 to 24, including the

¹ See website of the D.C. Department of Employment Services, <http://does.dc.gov/service/2016-mayor-marion-s-barry-summer-youth-employment-program>.

² See D.C. Official Code §32-241(a)(1)(A).

³ See D.C. Act 21-73, the "Youth Employment and Work Readiness Training Emergency Amendment Act of 2015," which took effect on May 26, 2015, and expired on August 24, 2015.

⁴ See D.C. Act 21-306, the "Marion S. Barry Summer Youth Employment Expansion Emergency Amendment Act of 2016," which took effect on February 18, 2016, and expired on May 18, 2016.

⁵ See D.C. Law 21-112, the "Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2016."

⁶ Source: R*STARS, the District government's record of financial accounts.

MBSYEP. Through the MBSYEP, OYP seeks to provide youth with the opportunity to:

- Earn money and gain meaningful work experience;
- Learn and develop the skills, attitudes, and commitment necessary to succeed in today's world of work;
- Gain exposure to various exciting career industries; and
- Interact with dynamic working professionals in a positive work environment.⁷

To ensure that the MBSYEP is as effective and efficient as possible, the Council directed the Office of the District of Columbia Auditor (ODCA) to conduct, in fiscal year 2016, an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives.⁸ The Council also provided ODCA with \$200,000 in the FY 2016 budget to carry out this directive.

Accordingly, ODCA engaged a contractor to prepare a series of three reports on the internal operations and management of the MBSYEP. This report, the first in the series, compiles and summarizes the available data about MBSYEP's participants, operations, and activities. The second and third reports, respectively, will assess the quality of management's internal controls to ensure that the program operates effectively and efficiently; and monitor and report on the implementation of the summer 2016 program.

In addition, ODCA has released a [report](#) describing the structure and operations of summer youth employment programs in eight other large cities in order to identify policies and practices that might benefit the MBSYEP.⁹

⁷ See DOES website, <http://does.dc.gov/service/2016-mayor-marion-s-barry-summer-youth-employment-program>.

⁸ See D.C. Act 21-164, the "Fiscal Year 2016 Budget Support Clarification Emergency Amendment Act of 2015," section 2(a).

⁹ This report, which is entitled "Review of Summer Youth Employment Programs in Eight Major Cities and the District of Columbia," was released on April 21, 2016. The report is available at dcauditor.org.

Objectives, Scope and Methodology

Objectives

To fulfill the Council’s directive to “conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives,” the Office of the District of Columbia Auditor (ODCA) examined The Marion S. Barry Summer Youth Employment Program (MBSYEP) operations in fiscal year (FY) 2015 and FY 2016 to date. The objectives of the evaluation were to:

1. Provide a picture of the program in its present form and thereby provide context for policymakers and the public in deliberations affecting the program; and
2. Identify program adjustments that might assist the MBSYEP in achieving its goal of providing D.C. youth with enriching and constructive summer work experiences.

Scope

The evaluation period covered MBSYEP operations from FY 2015 to the third quarter of FY 2016 (October 1, 2014 to April 12, 2016), and included a review of MBSYEP budgets and expenditures, program plans, and operations.

Methodology

To accomplish the objectives of this evaluation report, ODCA performed the following:

- Examined manual and electronic records maintained by DOES;
- Reviewed budgets, contracts, and other documents pertaining to the program;
- Validated expenditures and budget activity in the District government’s financial management system;
- Reviewed previous years’ survey data on youth and employers involved in the program; and
- Interviewed DOES and other District government staff involved in the program.

This evaluation report was drafted, reviewed, and approved in accordance with procedures outlined in ODCA’s Policy and Procedures Manual.

Summary of Evaluation Results

The following are major findings related to the summer 2015 Marion S. Barry Summer Youth Employment Program, all of which are described more fully throughout this report.

- The majority of MBSYEP positions, 78 percent, were assigned to District government agencies and community-based nonprofit organizations. Private companies and public charter schools accounted for 19 percent of positions assigned. The remaining 3 percent were assigned mainly to federal government agencies.
- DOES contracted with 21 community-based nonprofit organizations to provide enrichment services (such as employability skills training, workplace readiness, financial literacy, career exploration, and work experience training). DOES also signed memorandums of understanding with six District government agencies to provide structured summer programs for MBSYEP participants.
- DOES paid \$1,680,000 to the Washington Metropolitan Area Transit Authority (Metro) to subsidize transportation costs for youth participants.
- Although a budget was in place to cover summer 2015 MBSYEP expenditures, major sums were charged elsewhere. For youth ages 22 to 24 hired into the MBSYEP, wages and employment taxes in excess of \$1.1 million were charged to the DOES FY 2015 Year Round Youth Program budget, and wages and employment taxes of nearly \$200,000 were charged to the DOES FY 2015 Local Adult Training Program budget. Therefore, actual FY 2015 summer youth employment program expenditures were \$1.3 million more than the \$18.0 million of expenditures recorded under the FY 2015 MBSYEP budget.
- Due to statutorily-mandated wage increases, employment taxes, a transportation subsidy, and expansion of the MBSYEP to include youth ages 22 to 24, the original approved FY 2015 MBSYEP local funds budget increased from \$12.0 million to \$18.1 million, an increase of more than 50 percent. The original approved FY 2016 MBSYEP local funds budget of \$15.2 million was \$3.2 million less than the FY 2015 revised gross budget of \$18.4 million, and \$4.1 million less than FY 2015 actual expenditures of \$19.3 million.
- Recent legislation continued the MBSYEP expansion into FY 2016 and FY 2017. For the summer 2016 program, as of July 1, 2016,

youth ages 22 to 24 must be paid a minimum wage of at least \$11.50 per hour (up 24 percent over the summer 2015 wage of \$9.25). These factors indicated the need for additional funds to support the FY 2016 MBSYEP. In late March 2016, the MBSYEP was provided an additional \$4.8 million from the District's contingency reserve fund, and an intra-district transfer provided an additional \$250,000 (both figures rounded). As a result, the FY 2016 MBSYEP gross budget now totals \$20.3 million.

- Donations to support the MBSYEP can be made through the DOES website. A review of recent donations reports, however, showed that as of December 31, 2015, no donations were made on behalf of the MBSYEP.
- Nearly two-thirds of applicants ages 22 to 24, and more than one-third of applicants ages 14 to 21 were determined ineligible for the summer 2015 MBSYEP.
- Although the summer 2015 MBSYEP ended on August 7, 2015, DOES subsequently made adjustments in reported youth eligibility data up to a few days before issuance of its "Summer 2015 MBSYEP Report" on February 1, 2016.
- The vast majority of youth determined eligible for the MBSYEP, 93 percent, were between the ages of 14 and 21. The remaining 7 percent were between the ages of 22 and 24.
- As the MBSYEP expanded in the summer of 2015 to include youth ages 22 to 24, the number of youth ages 14 to 21 determined eligible and offered jobs declined from 13,766 in 2014 to 13,058 in 2015, a reduction of 708 youth.
- About three-quarters of youth determined eligible for the MBSYEP resided in Wards 5, 7, and 8, and well more than half of those determined eligible resided in Wards 7 and 8.
- DOES stated that it placed 247 summer youth participants ages 22 to 24 into jobs as of December 31, 2015. However, the placements were not sufficiently documented.

These findings are described more fully in the sections that follow:

- Registration, host employers, and program assignments;
- Wage rates and total wages paid to participants;
- Support services provided to participants;
- FY 2015 MBSYEP budget and expenditures;
- FY 2016 MBSYEP budget and expenditures;
- Number and characteristics of MBSYEP participants; and
- Employment outcomes for participants ages 22 to 24.

Registration, Host Employers and Program Assignments

Registration for the 2015 summer jobs program (for youth ages 14 to 21) opened on January 30, 2015. Applications were required to be completed online at the website, summerjobs.dc.gov, and had to be received by February 20, 2015. In addition, all documents required to prove eligibility for the MBSYEP had to be submitted no later than March 7, 2015. These documents were required to be submitted in person at one of the OYP's certification events, which were held on various dates at locations throughout the District of Columbia. By press release, issued on April 6, 2015, DOES announced that youth ages 22 to 24 could apply online to the summer 2015 MBSYEP from April 6, 2015 to April 17, 2015. These youth were also required to submit documentation to prove eligibility.

In addition to submitting an application and certification documents, youth ages 16 and older were required to submit a resume. As a final step before being offered a job, all youth were required to attend a work readiness orientation session prior to commencement of the MBSYEP. The six-week summer 2015 MBSYEP started on June 29, 2015, and ended on August 7, 2015, representing 29 work days (Independence Day was observed on Friday July 3, 2015, and was an unpaid holiday).

In administering the MBSYEP, DOES relies on Washington, D.C. metropolitan area organizations to volunteer to serve as "host employers." Host employers are expected to provide "...structured job opportunities for youth during the summer."¹⁰ In order to participate in the MBSYEP as hosts, employers are required to complete an online application and sign an agreement.

To assist in the assignment of youth participants, the summer 2015 host employer application included the following check-off statements for employers to indicate any or all that applied:

- There are youth currently enrolled in my year-round program who will apply to SYEP 2015 and need to be assigned to my worksite.
- There are youth who are required to attend my mandatory Summer Bridge program¹¹ as part of their requirement to attend my school in the fall.
- I run a special needs program/school and there are youth currently enrolled in my program who will apply to SYEP and need to be assigned to my worksite.

¹⁰ See DOES website, <http://does.dc.gov/service/2016-mayor-marion-s-barry-summer-youth-employment-program>.

¹¹ "Summer Bridge" refers to a program designed to accelerate academic achievement, mitigate summer learning loss, and strengthen preparation for high school. See website, <http://www.greatschoolspartnership.org/ninth-grade-counts-summer-bridge-programs/>.

- I run an Upward Bound Program and there are youth who have been or will be accepted in my program, will apply to SYEP, and need to be assigned to my worksite.
- I would like for DOES to assist me with identifying youth participants to be assigned to my worksite.
- I am interested in participating in other hiring initiatives sponsored by DOES or its partners.

In an effort to match assignments to youth participant preferences, during the application process youth were able to use an online portal where they could view available positions and apply for up to five options, which included traditional jobs as well as other enrichment or educational opportunities, ranked in order of preference. Also, on May 1, 2015, DOES hosted a career exploration fair where applicants were able to meet with potential host employers and participate in job interviews.

DOES pays wages directly to summer youth participants but does not fund any additional costs that might be incurred by a host employer. The host employer application contains check-off boxes in which an employer may agree to contribute to the wages of the youth employees or agree to make a one-time donation. In addition, through the DOES website anyone can click on “DONATE”¹² to make a contribution in support of the MBSYEP.

Clicking on DONATE directs an interested party to the website of the Office of Partnerships and Grant Services (OPGS), which manages donations on behalf of the District government. A review of recent OPGS quarterly donations reports (7/1/14 through 12/31/15) showed no donations on behalf of the MBSYEP.

In December 2015, ODCA sent a request for information to DOES that stated the following:

Please provide a list of all FY 2015 MBSYEP participating employers by sector (such as private for-profit, private non-profit, federal government, and district government). For each participating employer, please indicate whether they provided subsidized or unsubsidized employment (if unsubsidized, please list the dollar value of the employment). For each participating employer, please list the number of youth employed and attach a copy of the host/business partnership agreement with DOES.

Instead of listing each participating employer and the number of youth actually employed as requested (a number of youth who were determined eligible did not accept job offers), DOES provided a list of employers, the number of job slots requested, and the number of job

¹² See DOES website, <http://does.dc.gov/service/2016-mayor-marion-s-barry-summer-youth-employment-program>.

slots filled. The data provided by DOES indicated that 549 host employer applications were received for the summer 2015 MBSYEP.

As shown in Figure 1, the data showed that 473 host employers were assigned a total of 13,952 slots. The remaining 76 host employer applicants were not assigned any youth in the summer of 2015 because the total number of slots that host employers requested exceeded the number of youth enrolled in the program.

Figure 1

Host Employers and Slots Assigned by Sector

Sector	Number	Percent	Slots Assigned	Percent
Community-based Nonprofit	201	43%	5,144	37%
District Government Agencies	57	12%	5,030	36%
Private Organizations	114	24%	1,401	10%
Charter Schools	20	4%	1,206	9%
DC Public Schools	33	7%	657	5%
Federal Government Agencies	29	6%	376	3%
Private Schools	18	4%	137	<1%
Other	1	<1%	1	<1%
Total	473	100%	13,952	100%

The majority of MBSYEP positions, 10,831, or 78 percent of the total, were assigned to community-based organizations and District government agencies, including DC Public Schools. Private organizations and charter schools were assigned 2,607, or 19 percent, of the 13,952 positions assigned.

Eleven community-based nonprofit organizations, which were also awarded grants or contracts by DOES to provide enrichment services to youth participants (see report section, “Support Services Provided to Participants”), accounted for 1,762, or 34 percent, of the 5,144 slots assigned to community-based nonprofit organizations.

Nearly 82 percent, or 4,651 of the 5,687 positions assigned to District government agencies (including DC Public Schools), were accounted for by just eight agencies: Parks and Recreation (1,916); DOES (1,190, including 365 assigned to the Marion Barry Youth Leadership Institute¹³); DC Public

¹³ DOES’ Marion Barry Youth Leadership Institute was established to train District youth on the concepts of leadership and self-development. Leadership development training begins for members of the Institute at age 14, and generally concludes at age 17, when they are ready for college or other post-secondary opportunities. See DOES website, <http://does.dc.gov/service/marion-barry-youth-leadership-institute>.

Schools (657); Energy and Environment (323); Housing Authority (163); Metropolitan Police (160); Public Works (140); and Transportation (102).

In addition to DOES, key District government agencies sponsored the following activities.

- The Department of Parks and Recreation signed a memorandum of understanding (MOU) with DOES to place youth as support staff at one of its parks or recreation centers, or as participants in one of its specialty career and youth development camps.
- The Department of Energy and Environment signed a MOU with DOES to expose youth to career paths in the “green economy,” offer them meaningful, project-based work experiences, and provide training and guidance on how to be prepared for work.
- The Housing Authority provided positions involving grounds keeping/maintenance and office support.
- The Metropolitan Police Department assigned youth participants to the Junior Police Program, S.T.A.R.S (Students Take Another Route to Success) Program, or to serve as community outreach youth assistants.
- The Department of Public Works provided administrative positions at various agency facilities and positions as groundskeepers and SWEEP (Solid Waste Education Enforcement Program) inspector aides.
- The Department of Transportation placed youth as laborers and clerks.

About 36 percent, or 501 of the 1,401 positions assigned to private organizations, went to four companies: Agape Cabbage Patch Early Learning Development Center (162); TJX Corporation (147); AutoZone (115); and Forman Mills (77). Most of the positions provided by Agape were for aides who worked with infants, toddlers, and older children. TJX Corp. provided store merchandise associate and retail associate positions at its Washington metropolitan area T.J. Maxx and Marshalls stores. Similarly, AutoZone provided customer service and sales representative positions at its DC area stores. Forman Mills placed youth in positions as stockers at its area stores.

Among charter schools, 655 of the 1,206 slots (54 percent) were assigned to Friendship Public Charter Schools and 138 (11 percent) slots were assigned to Washington Math Science Technology Public Charter High School. Most of the slots at Friendship were designated for enrichment camps (STEM¹⁴, liberal arts, fine arts, and mentoring programs), the 9th grade summer bridge program (designed to prepare students for a college preparatory curriculum), and the positive choices program (athletics

¹⁴ “STEM” refers to science, technology, engineering, and mathematics.

department). Washington Math Science Technology provided enrichment programs (focusing on math, science, technology, and reading skills) and engineering robotics (working on projects and building robots for competitions).

Nearly half of the 657 slots assigned to DC Public Schools went to four schools: Anacostia High (150); Ballou High (98); Ballou S.T.A.Y. High (40); and Banneker High (33). Most of the youth at Anacostia High participated in the summer bridge or the college readiness program. Most of the available slots at Ballou High and Banneker High were for the summer bridge program. Ballou S.T.A.Y.¹⁵ High offered positions as phoenix mentors (to provide academic instruction, tutoring, counseling, and mentoring to youth).

¹⁵ Ballou S.T.A.Y. (School To Aid Youth) High was established as an alternative high school to deliver academic and career/technical programs leading to a high school diploma or vocational certificate. See website, http://balloustay.com/apps/pages/index.jsp?uREC_ID=204285&type=d.

Wage Rates and Total Wages Paid to Participants

Legislation in place at the beginning of FY 2015 (October 1, 2014) authorized a summer youth jobs program to provide employment for no less than 10,000 and no more than 21,000 youth between the ages of 14 and 21, with youth ages 14 and 15 receiving compensation of \$5.25 per hour, and youth between the ages of 16 and 21 receiving the federal minimum wage.¹⁶ The federal minimum wage at the start of the summer 2015 MBSYEP was, and as of the date of this report remains, \$7.25 per hour.¹⁷

In the spring of 2015, the Council enacted emergency legislation that expanded the MBSYEP to include youth ages 22 to 24, and increased wages for youth ages 16 to 21. The legislation established that:

- Youth ages 14 to 15 at the date of enrollment shall receive an hourly work readiness training rate of not less than \$5.25;
- Youth ages 16 to 21 at the date of enrollment shall be compensated at an hourly rate of \$8.25;
- Youth ages 22 to 24 at the date of enrollment shall be compensated at an hourly rate of \$9.25;
- Youth shall be compensated for not fewer than 20 and not more than 40 hours per week;
- Employment may include an appropriate number of supervisory positions at an hourly wage of \$9.25 to \$13.00; and
- Supervisory positions shall not be subject to the requirements above regarding the number of hours and weeks of employment.¹⁸

Consistent with the law, DOES announced that for the summer 2015 MBSYEP, youth ages 14 to 15 would be paid a stipend of \$5.25 per hour for up to 20 hours per week; youth ages 16 to 21 would be paid a wage of \$8.25 per hour for up to 25 hours per week; and youth ages 22 to 24 would be paid a wage of \$9.25 per hour for up to 30 hours per week.

In FY 2015, summer youth participants received wages totaling \$12.3 million. Of this amount, youth ages 14 to 21 received wages totaling

¹⁶ See D.C. Official Code §32-241(a)(1)(A). In FY 2015, the relevant portion of this section read as follows: “Youth between the ages of 16 and 21 years at the date of enrollment shall be compensated at a rate equal to the federal minimum wage rate established by section 6 of the Fair Labor Standards Act of 1938, approved June 25, 1938 (52 Stat. 1062; 29 U.S.C. § 206).” D.C. Law 21-36, the “Fiscal Year 2016 Budget Support Act of 2015” increased the rate of pay for 16-21 year olds to \$8.25.

¹⁷ Source: U.S. Department of Labor, Wage and Hour Division, website <http://www.dol.gov/whd/minwage/chart.htm>.

¹⁸ See D.C. Act 21-73, the “Youth Employment and Work Readiness Training Emergency Amendment Act of 2015,” which took effect on May 26, 2015, and expired on August 24, 2015.

\$11.1 million and youth ages 22 to 24 received wages totaling \$1.2 million. Wages for youth ages 14 to 21 were paid from the \$15.4 million “subsidies and transfers” category of the FY 2015 MBSYEP revised local fund budget, and from the \$225,000 “subsidies and transfers” category of the FY 2015 private grant fund budget. Wages for youth ages 22 to 24 were paid from DOES’ FY 2015 Year Round Program and Local Adult Training budgets.

In addition, DOES hired 31 summer youth employment program summer monitors and 9 call center representatives as temporary full-time employees. These individuals started work as early as May 18, 2015, at wage rates of either \$15 or \$18 per hour. Expenditures for these temporary DOES employees were charged against the MBSYEP “revised regular pay – other” budget of \$408,672, which incurred actual expenditures of \$362,712 in FY 2015 (see report section, “FY 2015 MBSYEP Budget and Expenditures”).

Support Services Provided to Participants

As previously noted, all MBSYEP applicants are required to attend an orientation program conducted by DOES before they can be offered summer positions. In addition, all host employers are required to provide a worksite orientation on day one of the program.

As shown in Figure 2 (see next page), DOES executed agreements with 21 community-based nonprofit organizations to provide enrichment services (such as employability skills training, workplace readiness, financial literacy, career exploration, and work experience training) to youth participants, at a cost of \$1,023,602. DOES paid the wages for youth participants assigned to these organizations, which also served as host employers.

Five of the 21 organizations were competitively awarded human care agreements¹⁹ through which DOES issued task orders specifying the number of youth participants who would be provided workforce development training services. The human care contractors (awarded \$100,000 each) were required to provide high-quality, structured training in work readiness and career exploration with a concentration in growth industry sectors for District youth. Growth Industry Sector program requirements were defined in each agreement, and fell into the following categories: agricultural/environmental; information technology/telecommunications; media/publications/communications/entertainment; and business/professional services.

¹⁹ “Human care agreements” are used for the procurement of social, health, human, and education services directly to individuals in the District. See D.C. Municipal Regulations, Title 27, Chapter 19.

Figure 2**Human Care Contractors and Grantees**

Contractor/Grantee	Award	Ages	Program Model	Amount Paid
Jarmal Harris Project	\$100,000	14 - 17	Work Readiness/Multi-Media	\$103,200 ²⁰
Empowerment Enterprise	\$100,000	14 - 24	Work Readiness/Multi-Media	\$100,000
Do The Write Thing	\$100,000	14 - 24	Work Readiness/Multi-Media	\$86,000
Life Success	\$100,000	14 - 24	Work Readiness/Multi-Media	\$79,000
World Mission Inner City	\$100,000	14 - 17	Work Readiness/Multi-Media	\$40,000
H Street Main Street	\$76,338	14 - 24	Work Readiness/Experience	\$76,338
The Musicianship	\$64,000	14 - 17	Industry Awareness	\$64,000
Youth Organizations United to Rise	\$64,000	14 - 17	Post-Secondary Prep.	\$64,000
Red Sprinkle	\$64,000	14 - 17	Work Readiness	\$62,400
Bell Multicultural Career Program	\$64,000	14 - 17	Work Readiness	\$60,500
Amy Jacques Garvey Institute	\$63,600	14 - 17	Work Readiness	\$61,200
Wash. DC Fashion Foundation	\$32,000	14 - 17	Industry Awareness	\$32,000
Ethiopian Community Services	\$32,000	14 - 17	Work Readiness	\$30,500
Calvin Woodland Sr. Foundation	\$32,000	14 - 17	Work Readiness	\$29,200
Siblings Together USA, Inc.	\$32,000	14 - 17	Industry Awareness	\$28,300
Paxen Learning Services	\$31,964	14 - 17	Work Readiness	\$31,164
ANC Constituent Services	\$30,000	14 - 17	Work Readiness	\$29,800
Uniting Our Youth	\$20,000	14 - 17	Post-Secondary Prep.	\$20,000
Sitar Arts Center	\$12,000	14 - 17	Work Readiness	\$10,000
Dance Institute of Washington	\$10,000	14 - 17	Work Readiness	\$10,000
Latin American Youth Center	\$6,000	14 - 17	Work Readiness	\$6,000
Total	\$1,133,902			\$1,023,602

Fifteen of the 21 organizations that provided enrichment services to youth participants received grants after responding to a Request for Applications issued by DOES on November 7, 2014. These grantees were required to provide work readiness (ages 14-15) and work experience/development (ages 16-17) programs, which comprised the summer assignment for youth in these programs. One organization was awarded a grant without competition based on a proposal submitted to DOES.

Eleven of these community-based nonprofit organizations accounted for 1,762, or 34 percent, of the 5,144 job slots assigned to community-based nonprofit organizations by DOES (see report section, "Host Employers and Program Assignments"). The 11 organizations included all 5 human care contractors and 6 grantees as follows.

²⁰ DOES executed a contract modification which increased the award by \$5,000.

Human Care Contractors

1. Jarmal Harris Project
2. Empowerment Enterprise
3. Do The Write Thing
4. Life Success
5. World Mission Inner City

Grantees

1. H Street Main Street
2. The Musicianship
3. Red Sprinkle
4. Amy Jacque Garvey Institute
5. Bell Multicultural Career Program
6. Paxen Learning Services

As shown in Figure 3 (see next page), DOES also executed memorandums of understanding (MOUs) with six District government agencies to provide structured summer programs. These agencies were paid a total of \$778,733 for services performed. DOES paid the wages for youth participants assigned to these agencies, with the exception of the Office of Latino Affairs (OLA administered stipend payments, the costs of which were included in the payment for services performed). At a cost of \$60,000, DOES also signed a MOU with the Department of General Services, Protective Services Division, to provide security services related to MBSYEP activities, resulting in total expenditures of \$838,733 for MOUs.

Figure 3

MBSYEP Summer 2015 Memorandums of Understanding

D.C. Government Agency	Description of Services Provided	Amount Paid
Parks and Recreation (DPR)	Place youth as either support staff at one of its parks or recreation centers, or as participants in one of its specialty career and youth development camps.	\$255,083
Environment (DDOE)	Expose youth to career paths in the “green economy,” provide them with meaningful, project-based work experiences, and provide training and guidance on how to be prepared for work.	\$206,165
Latino Affairs (OLA)	Work with a variety of organizations to create new employment training programs, enhance existing programs, and provide training and technical assistance.	\$195,575
Mayor (Serve DC)	Develop and implement the Serve DC Summer Youth Academy to introduce youth to careers in emergency preparedness, science, technology, engineering, and math.	\$45,158
Arts & Humanities (DCCAH)	Place youth with arts nonprofit organizations and provide field trips and workshops to expose them to job opportunities in the arts and humanities.	\$43,200
Insurance, Securities & Banking (DISB)	Develop and implement the Bank on DC SYEP to expose youth to careers in the financial industry and provide meaningful work and life skills experiences.	\$33,552
General Services (DGS/PSD)	Provide security at DOES headquarters for various MBSYEP events, including certifications and orientations.	\$60,000
Total		\$838,733

In addition, DOES paid \$1,680,000 to the Washington Metropolitan Area Transit Authority (Metro) to subsidize transportation costs for youth participants (see discussion on p. 22).²¹

²¹ D.C. Official Code §35-233(g) allows qualified MBSYEP participants to travel on Metrobus, Metrorail, and public transportation services offered by the District at subsidized or reduced fares which “...shall be valid only for the transportation of SYEP participants to and from their internships and related activities for the first 3 weeks of the summer 2015 SYEP.”

FY 2015 MBSYEP Budget and Expenditures

Budget

As shown in Figure 4, the original approved FY 2015 MBSYEP gross (all funds) budget totaled \$12,109,772, which was comprised of a local funds budget in the amount of \$12,029,772 and a private donations budget of \$80,000.

Figure 4

FY 2015 MBSYEP Gross Operating Budget and Expenditures (Dollars)

	Original Budget	Revised Budget	Change	Actual Expend.	Remaining Balance
0011 - Regular Pay - Cont. Full Time	237,314	401,415	164,101	391,096	10,319
0012 - Regular Pay – Other	308,987	408,672	99,685	362,712	45,960
0013 - Additional Gross Pay	0	30,038	30,038	11,352	18,686
0014 - Fringe Benefits	125,103	125,103	0	123,130	1,973
0015 - Overtime Pay	0	0	0	239	-239
0020 - Supplies & Materials	10,240	10,240	0	10,119	121
0030 - Energy, Comm. & Bldg. Rentals	35,822	35,822	0	24,628	11,194
0031 - Telephone, Etc.	59,936	59,936	0	36,884	23,052
0034 - Security Services	60,785	60,785	0	45,325	15,460
0035 - Occupancy Fixed Costs	115,352	115,352	0	47,508	67,844
0040 - Other Services & Charges	1,370,395	1,330,395	-40,000	1,081,916	248,479
0050 - Subsidies & Transfers	9,695,598	15,436,104	5,740,506	15,585,566	-149,462
0070 - Equipment & Equip. Rentals	10,240	50,240	40,000	14,565	35,675
Sub-Total Local Fund	12,029,772	18,064,102	6,034,330	17,735,040	329,062
0020 - Supplies & Materials	0	2,250	2,250	0	2,250
0040 - Other Services & Charges	0	22,750	22,750	0	22,750
0050 - Subsidies & Transfers	0	225,000	225,000	226,367	-1,367
0070 - Equipment & Equip. Rentals	0	10,000	10,000	2,513	7,487
Sub-Total Private Grant Fund	0	260,000	260,000	228,880	31,120
0040 - Other Services & Charges	80,000	80,000	0	0	80,000
Sub-Total Private Donations	80,000	80,000	0	0	80,000
Grand Total	12,109,772	18,404,102	6,294,330	17,963,920	440,182

“Subsidies and transfers” at \$9,695,598 and “other services and charges,” at \$1,370,395, respectively, made up 81 percent and 11 percent of the \$12,029,772 original local funds budget for MBSYEP. The \$9.7 million subsidies and transfers budget was expected to support wages, employment taxes, and support services for a projected 14,000 summer

youth participants. The other services and charges budget mainly supported memorandums of understanding (MOUs) with other District government agencies to act as host employers and to provide structured programs for summer youth participants.

In addition, “personal services,” at \$671,404, made up 6 percent of the original local budget. The personal services budget covered staffing costs for full-time and temporary employees hired by DOES (including summer monitors for the MBSYEP), along with fringe benefits. The original local funds personal services budget authorized a staffing level of 10.1 full-time equivalents.

In addition to local funds, the original FY 2015 MBSYEP gross budget included a private donations budget of \$80,000. However, no private donations for the summer program were received in FY 2015.

Reprogrammings increased the original approved local funds budget by \$6,034,330, or 50 percent, resulting in a final revised MBSYEP FY 2015 local funds budget of \$18,064,102. Figure 5 (see next page), taken from R*STARS, the District government’s record of financial accounts, shows the details of each transfer including the source. Almost all (\$5,740,506 or 95 percent) of the reprogramming total was applied to the subsidies and transfers budget category. The subsidies and transfers budget covered wages and employment taxes for youth participants, grantee payments (for support services provided to youth participants), and youth participant transportation costs.

The \$5,740,506 increase in the subsidies and transfers budget included the following sums:

- \$3,469,878 to increase wages for youth 16 to 21, and provide a transportation subsidy for all participants;
- \$1,270,260 for participant wages and employment taxes; and
- \$1,000,368 to cover Federal Insurance Contributions Act (FICA) tax payments for fiscal years 2012, 2013, 2014, and 2015 for youth ages 14 to 15.²²

With regard to the FICA tax payments, the DOES Director stated, “The agency had been operating under a legal interpretation that Federal Insurance Contributions (tax) Act (FICA) did not need to be paid for youth ages 14-15. However, upon consultation with the Office of Tax and Revenue, it was determined that FICA did need to be paid and the agency has done so.”²³ The remainder of the \$6,034,330 budget increase,

²² “FICA” refers to a federal payroll tax imposed on both employees and employers to fund Social Security and Medicare – federal programs that provide benefits for retirees, the disabled, and children of deceased workers.

²³ From the DOES Director’s statement at a public hearing before the Council Committee on Business, Consumer, and Regulatory Affairs, December 16, 2015.

\$293,824, covered additional staffing costs associated with expansion of the MBSYEP to include youth ages 22 to 24.

Figure 5

FY 2015 MBSYEP Approved Reprogrammings (Dollars)

Reprog. No.	SOAR Doc. Date	SOAR Eff. Date	Reprog. Amount	MBSYEP Budget Impact	Description
N/A*	1/14/2015	1/14/2015	40,000	0	To cover procurement of computers. Funds moved from MBSYEP Other Services & Charges to Equipment & Equip. Rentals.
21-10	3/11/2015	3/11/2015	5,202,505	3,469,878	Funds moved from Dept. of Health Care Finance to DOES Subsidies & Transfers to provide additional funding of 3,469,878 for MBSYEP and 1,732,627 for the Year-Round Youth Program. Will allow youth ages 22 to 24 to participate, increase wages for youth ages 16 to 21, and provide a transportation subsidy for all participants.
21-134	11/9/2015	9/30/2015	1,564,084	1,564,084	"To properly align budget where expenditures were incurred." Funds from Year-Round Youth Program (973,291) and Local Adult Program (590,793) were moved to MBSYEP as follows: 1,270,260 to Subsidies & Transfers; 164,101 to Regular Pay - Cont. Full Time; 99,685 to Regular Pay - Other; and 30,038 to Additional Gross Pay.
21-144	11/9/2015	9/30/2015	1,000,368	1,000,368	To cover FICA payments for Fiscal Years 2012, 2013, 2014, and 2015 for youth ages 14 to 15. Funds from Local Adult Program were moved to MBSYEP Subsidies & Transfers.
	Total MBSYEP Reprog.		6,034,330		

*Reprogramming requests below \$500,000 do not require Council approval.

In addition to the revised local funds budget of \$18,064,102, the revised FY 2015 MBSYEP gross budget of \$18,404,102 included a private grant of \$260,000, which was awarded to DOES by the Cities for Financial Empowerment Fund (CFEF).²⁴ The private grant allowed DOES to increase its financial literacy efforts and to increase the number of youth in the MBSYEP. Subsidies and transfers, at \$225,000, comprised 87 percent of the private grant budget.

²⁴ The Cities for Financial Empowerment Fund is a non-profit organization based in New York City that works with local governments to improve the financial stability of low- and moderate-income households. See cfefund.org.

Expenditures

As seen in Figure 4 (see p. 18), “FY 2015 MBSYEP Operating Budget and Expenditures,” FY 2015 MBSYEP local fund actual expenditures of \$17,735,040 were \$329,062 less than the revised local funds budget of \$18,064,102. Local fund expenditures for subsidies and transfers, at \$15,585,566, exceeded the revised subsidies and transfers budget of \$15,436,104 by the amount of \$149,462. However, the overspending was more than offset by underspending in other areas of the MBSYEP local funds budget.

The \$15.6 million in expenditures for subsidies and transfers (covering wages, employment taxes, support services, and transportation costs for youth participants) accounted for 88 percent of MBSYEP local funds expenditures of \$17.7 million, and are itemized below.

Breakout of Subsidies and Transfers

Youth Wages	\$10,871,037
Taxes*	\$1,959,795
Metro	\$1,680,000
Grantees	\$1,023,602
Reimbursements	\$51,132
To Other Govts.	
Total	\$15,585,566

*Includes prior years FICA charges of \$1,280,318

The \$10,871,037 in wages paid from the MBSYEP local funds budget does not account for all wages paid to participants in the summer youth program. In response to an ODCA request, the Office of the Chief Financial Officer staff at DOES provided data indicating that, for youth ages 22 to 24, summer youth program wages of \$1,068,759 and employment taxes of \$81,718 were charged to the DOES FY 2015 Year Round Youth Program budget; and summer youth program wages of \$161,627 and employment taxes of \$12,365 were charged to the DOES FY 2015 Local Adult Training budget.

Because youth ages 22 to 24 were hired into the summer youth program, it is not clear why expenditures in excess of \$1.3 million were not charged against the FY 2015 MBSYEP budget. This is of particular significance given that the source data for summer program budget and expenditure reports are drawn solely from the MBSYEP budget code. ODCA will examine this issue in-depth in a follow-up report on the quality of MBSYEP management and internal controls.

Taking into account the summer youth program wages charged to the Year Round Youth Program and Local Adult Training budgets, FY 2015 local fund expenditures for MBSYEP wages totaled \$12,101,423. Taking

into account wages in the amount of \$210,306 funded by the CFEF grant, a total of \$12,311,729 was spent on summer 2015 MBSYEP wages.

Further, taking into account the expenditures charged against the Year Round Youth Program and Local Adult Training budgets, actual FY 2015 MBSYEP expenditures totaled \$19,288,389, rather than the reported total of \$17,963,920. For purposes of accuracy and transparency, ODCA recommends that all funds supporting the summer youth program are budgeted, and all expenditures are recorded under DOES program code 4820, the Summer Youth Employment Program.

The Washington Metropolitan Area Transportation Authority (Metro) payment of \$1,680,000 was made pursuant to legislation enacted prior to the commencement of the summer 2015 MBSYEP (see footnote 21 on p. 17). DOES stated that all summer 2015 youth participants were eligible to receive a WMATA SmarTrip card with a value of \$110 that could be used for transportation to and from work on Metrorail and Metrobus, and that 10,699 youth retrieved SmarTrip cards.

The \$1,023,602 expenditure for grantees represented payments to 21 organizations which served as both host employers and also provided structured work readiness, work experience, and enrichment programs for youth participants.

Expenditures of \$1,081,916 for other services and charges accounted for 6 percent of total MBSYEP local funds expenditures. Of the \$1.1 million spent on other services and charges, \$838,733 (78 percent) funded memorandums of understanding with other District agencies to provide structured programs for summer youth participants and security services for MBSYEP special events.

FY 2015, MBSYEP private grant fund actual expenditures of \$228,880 were \$31,120 less than the private grant budget of \$260,000. Expenditures for subsidies and transfers (entirely wages and employment taxes), at \$226,367, represented 99 percent of actual private grant expenditures.

FY 2016 MBSYEP Budget and Expenditures

Budget

As shown in Figure 6 (see next page), the original approved FY 2016 MBSYEP local funds budget totaled \$15,217,065, which is \$3.2 million more than the original FY 2015 MBSYEP local funds budget of \$12.0 million and \$2.9 million less than the revised FY 2015 MBSYEP local funds budget of \$18.1 million. Further, the original FY 2016 MBSYEP local funds budget of \$15.2 million was \$2.5 million less than actual FY 2015 MBSYEP local fund expenditures of \$17.7 million.

Figure 6

FY 2016 MBSYEP Operating Budget and Expenditures (YTD as of April 12, 2016, in dollars)

	Original Budget	Actual Expend.	Obligated*	Remaining Balance
0011 - Regular Pay - Cont. Full Time	210,268	205,520	N/A	4,748
0012 - Regular Pay - Other	345,548	122,372	N/A	223,176
0013 - Additional Gross Pay	0	3,419	N/A	-3,419
0014 - Fringe Benefits	120,056	63,855	N/A	56,201
0015 - Overtime Pay	0	16,734	N/A	-16,734
Total Personal Services	675,872	411,900		263,972
0020 - Supplies & Materials	15,565	5,974	1,396	8,195
0030 - Energy, Comm. & Bldg. Rentals	55,808	13,550	0	42,258
0031 - Telephone, Etc.	62,794	13,147	0	49,647
0034 - Security Services	78,811	10,647	0	68,164
0035 - Occupancy Fixed Costs	102,710	15,783	0	86,927
0040 - Other Services & Charges	1,098,467	370,128	119,113	609,226
0041 - Contractual Services - Other	67,623	5,020	4,980	57,623
0050 - Subsidies & Transfers	13,049,175	1,500	0	13,047,675
0070 - Equipment & Equip. Rentals	10,240	1,570	0	8,670
Total Non-personal Services	14,541,193	437,319	125,489	13,978,385
Sub-Total Local Fund	15,217,065	849,219	125,489	14,242,357
	Budget Revisions			
0040 - Other Services & Charges	30,127	30,127	0	0
0050 - Subsidies & Transfers	993	0	0	993
Sub-Total Private Grant Fund	31,120	30,127	0	993
0040 - Other Services & Charges	1,000	0	0	1,000
Sub-Total Private Donations	1,000	0	0	1,000
0050 - Subsidies & Transfers	4,828,241	0	0	4,828,241
Sub-Total Contingency Reserve	4,828,241	0	0	4,828,241
0050 - Subsidies & Transfers	250,206	0	0	250,206
Sub-Total Intra-District	250,206	0	0	250,206
Grand Total	20,327,632	879,346	125,489	19,322,797

*Balances of outstanding purchase orders and requisitions

The projected number of summer youth participants remained stable at 14,000 in FY 2016. However, the increase in the total local funds budget (from the original FY 2015 budget of \$12.0 million to the original FY 2016 budget of \$15.2 million) was driven by higher youth wages, employment taxes, and the transportation subsidy for youth participants. During FY 2015, compensation for youth ages 16 to 21 was increased from the federal minimum wage of \$7.25 per hour to \$8.25 per hour, and the Metro transportation subsidy was provided to support summer youth participants.

These increased costs were funded by budget reprogrammings in FY 2015. The wage increase and the transportation subsidy were incorporated into the FY 2016 local funds budget and are reflected in the “subsidies and transfers” category, where the original local funds budget increased from \$9,695,598 in FY 2015 to \$13,049,175 in FY 2016.

Due to the aforementioned increased costs, subsidies and transfers accounted for 86 percent of the FY 2016 original local funds budget, up from 81 percent in FY 2015. “Other services and charges,” the second largest component of the MBSYEP budget (mainly covering MOUs with District government agencies for support services) at \$1,098,467, accounted for 7 percent of the FY 2016 local funds budget, down from 11 percent in FY 2015. FY 2015 expenditures for other services and charges totaled \$1,081,916 with the MBSYEP expansion in place.

The FY 2016 private grant fund budget of \$31,120 consists of unspent funds remaining from the \$260,000 grant that was awarded to DOES in FY 2015 by the Cities for Financial Empowerment Fund. The FY 2016 private donations budget of \$1,000 serves as a placeholder in the event that DOES receives any donations.

The Council recently enacted legislation which continued the expansion of MBSYEP eligibility to youth ages 22 to 24 through fiscal years 2016 and 2017.²⁵ Under this legislation, youth ages 22 to 24 are required to be compensated at a wage of at least \$11.50 per hour (up from \$9.25 for the summer 2015 program), as of July 1, 2016. In addition, beginning on July 1, 2017, and no later than July 1st of each successive year, the minimum wage must be increased in proportion to the annual average increase, if any, in the Consumer Price Index.²⁶

Considering that actual FY 2015 MBSYEP expenditures totaled \$19.3 million, and that the enacted FY 2016 MBSYEP gross budget was \$15.2 million (local funds \$15,217,065, private grant fund \$31,120, and private donations \$1,000) at the time that the FY 2016 and FY 2017 expansion was approved, it was clear that additional funding would be required to support the summer 2016 program.

²⁵ See D.C. Law 21-112, the “Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2016,” which took effect on May 12, 2016.

²⁶ See D.C. Official Code §32-1003.

In response to a request from the Mayor, effective March 23, 2016, a total of \$4,828,241 was allocated from the District's contingency reserve fund²⁷ to support the MBSYEP. In addition, effective March 22, 2016, an intra-district budget transfer of \$250,206, based on a memorandum of understanding with the Department of Disability Services, was established to support work-based learning experiences for students with disabilities. Both of these reprogrammings provide funding for summer youth wages and employment taxes. As seen in Figure 6, as a result of these adjustments, the FY 2016 MBSYEP gross budget now totals \$20,327,632.

Expenditures

As seen in Figure 6 (see p. 24), FY 2016 MBSYEP local fund year-to-date expenditures and obligations (as of April 12, 2016) totaling \$974,708, represent only 6 percent of the original local funds budget. However, major MBSYEP spending normally does not occur before June. Actual year-to-date expenditures in the amount of \$849,219 include \$411,900 for personal services (i.e., salary and benefits for staff assigned to the summer youth program), and \$437,319 for non-personal services (supplies and materials; energy, communications, and building rentals; telephones; security services; occupancy fixed costs; other services and charges; contractual services; subsidies and transfers; and equipment and equipment rentals). As of April 12, 2016, all but \$993 of the \$31,120 of carry-over funds from the Cities for Financial Empowerment grant had been spent.

²⁷ The District is required by law to maintain a contingency reserve fund equal to at least 4 percent of the District's local fund expenditures in the fiscal year immediately preceding the current fiscal year. Allowable uses include "to provide for nonrecurring or unforeseen needs that arise during the fiscal year," and "to cover revenue shortfalls experienced by the District government for 3 consecutive months (based on a 2 month rolling average) that are 5 percent or more below the budget forecast." See D.C. Official Code § 1-204.50a(b).

Number and Characteristics of MBSYEP Participants

In December 2015, DOES provided information to ODCA listing the number of summer youth program applicants by ward and by age. According to that information, 22,974 youth submitted applications for the 2015 summer youth program and 13,967 youth met all eligibility requirements and were offered positions. By email message dated January 8, 2016, DOES slightly increased the eligibility total to 13,969.

As shown in Figure 7, of the 22,974 applications submitted, 13,969 youth, or 61 percent of the applicants, met all eligibility requirements. However, more than one-third of youth ages 14 to 21 were determined ineligible, and nearly two-thirds of youth ages 22 to 24 were deemed ineligible.

Figure 7

Employment Applications Submitted and Determined Eligible

Age	Applications	Eligible	Not Eligible	% Eligible
14 – 21	20,448	13,058	7,390	64%
22 – 24	2,526	911	1,615	36%
Total	22,974	13,969	9,005	61%

According to information published on the DOES website for the 2015 MBSYEP, to meet eligibility requirements applicants ages 14 to 21 had to provide:

1. A document to verify age;
2. A document to verify residence in Washington, D.C.;
3. Verification of Social Security number;
4. A document to verify permission to work in the U.S.; and a
5. Signed parental consent form if under age 18.

Applicants ages 22 to 24 were required to submit:

1. An unexpired DC-issued Driver's License, Learners Permit, or Non-Driver's Identification Card; and a
2. Social Security Card.

Acceptable forms of documentation were outlined on the website. In addition, DOES officials said that after meeting eligibility requirements, youth ages 16 and older were required to submit a resume and that attendance at an orientation session (prior to commencement of the summer youth program) was mandatory before any youth could be offered a job.

When asked to explain the ineligibility rates, DOES provided information indicating that the vast majority of ineligibility determinations were for two reasons: failure to submit the required documents before the deadline (69 percent) and failure to attend orientation (20 percent).

Through January 27, 2016, DOES continued to report that the number of youth determined eligible for the 2015 summer youth program stood at 13,969. However, by email dated January 28, 2016, a DOES official provided a chart indicating that 14,029 youth (an increase of 60) met all eligibility requirements and were offered jobs. As a result of the increase in the reported number of youth determined eligible, DOES reported achieving its FY 2015 summer youth employment program target of 14,000 youth referred to summer jobs, a determination made just days before releasing its “MBSYEP Summer Report: 2015” on February 1, 2016, and more than five months after the program ended.

DOES was asked to explain the increased eligibility figure. The explanation and documentation provided by DOES in response failed to substantiate the increase. It should also be noted that while DOES reported an eligibility figure of 14,029 in its “MBSYEP Summer Report: 2015” that was released on February 1, 2016, the DOES FY 2015 Performance Accountability Report (published in January 2016 and available on the Office of the City Administrator website) cites as a key performance indicator that 14,067 youth were referred to summer jobs.

The eligibility and demographic data in this report are derived from the raw data provided by DOES, which support the eligibility figure of 13,969 youth. Any identified discrepancies in the accuracy of reported MBSYEP data will be addressed in ODCA’s follow-up report on the quality of MBSYEP management and internal controls.

As shown in Figure 8 (see next page), of the 13,969 summer youth employment applicants determined eligible and offered jobs, 13,058 (93 percent) were ages 14 to 21, and 911 (7 percent) were ages 22 to 24. For youth ages 14 to 21, 12,386 (95 percent) accepted job offers and 672 (5 percent) did not. For youth ages 22 to 24, 844 (93 percent) accepted job offers and 67 (7 percent) did not. Of the 13,230 youth that reported to work, 12,386, or 94 percent, were ages 14 to 21, and 844, or 6 percent were ages 22 to 24.

Figure 8

MBSYEP Job Offers:

Youth Ages 14 to 21

Job Offers Made	Eligible	Percent
Accepted Offer	12,386	95%
Did Not Accept Offer	672	5%
Total Job Offers	13,058	

Youth Ages 22 to 24

Job Offers Made	Eligible	Percent
Accepted Offer	844	93%
Did Not Accept Offer	67	7%
Total Job Offers	911	

Youth Ages 14 to 24, Who Reported To Worksite

Offers Accepted	Number	Percent
Ages 14 to 21	12,386	94%
Ages 22 to 24	844	6%
Total	13,230	

DOES reported that the actual number of youth ages 14 to 21 referred to summer jobs was 13,766 in FY 2014. Thus, the FY 2015 referral figure of 13,058 represents a decrease of 708 youth (5 percent) for this age group.

As the key performance indicator for the MBSYEP is the number of youth referred to summer jobs²⁸, the following demographic information is based on the total of 13,969 youth originally reported as eligible and offered summer jobs by DOES. It should be noted that information on race/ethnicity and education level was self-reported by MBSYEP applicants.

Youth Ages 14 to 21

As shown in Figure 9 (see p. 31), nearly 88 percent of eligible youth ages 14 to 21 identified themselves as “African American/Black,” and 8 percent chose the racial category “Other.” About 55 percent of youth in this age group offered jobs were female. Nearly three-fourths of these youth resided in Wards 5, 7, and 8, and more than half (7,338 or 56 percent) of eligible youth ages 14 to 21 came from Wards 7 and 8.

According to a report produced by the DOES Office of Labor Market Research and Information, throughout 2015 these three wards (5, 7, and 8) had the highest monthly unemployment rates in the District of Columbia. Ward 8 had the highest monthly unemployment rates,

²⁸ Source: DOES FY 2015 Performance Accountability Report, published January 2016, available at <http://oca.dc.gov/>.

followed by Wards 7 and 5. In June 2015 (the MBSYEP started June 29, 2015), the unemployment rate stood at 14 percent for Ward 8, 11.6 percent for Ward 7, and 8.5 percent for Ward 5.

About one-third of eligible youth in this group were at the entry-level ages of 14 and 15, and another third were ages 16 and 17. The number and percent of youth ages 14 to 21 offered jobs declined noticeably at each age level after age 17, reaching a low of 5 percent for youth at age 21. As pertains to education levels, about three-fourths of eligible youth ages 14 to 21 were high school (63 percent) or middle school (13 percent) students. The remaining eligible youth were mainly high school graduates (10 percent) or college students (10 percent).

Figure 9

Demographics, MBSYEP Youth Ages 14 to 21

Characteristic	MBSYEP Youth Eligible = 13,058	Percent
Gender		
Female	7,210	55.2%
Male	5,848	44.8%
Age		
14	1,918	14.7%
15	2,285	17.5%
16	2,182	16.7%
17	2,083	16.0%
18	1,779	13.6%
19	1,267	9.7%
20	881	6.7%
21	663	5.1%
Ward		
1	648	5.0%
2	91	0.7%
3	81	0.6%
4	1,390	10.6%
5	2,059	15.8%
6	1,074	8.2%
7	3,638	27.9%
8	3,700	28.3%
Not Available ²⁹	377	2.9%
Race/Ethnicity		
African American/Black	11,445	87.6%
Other	1,086	8.3%
Hispanic/Latino	365	2.8%
American Indian/Alaskan Indian	37	0.3%
Asian/Pacific Islander	61	0.5%
Caucasian/White	64	0.5%
Education Level		
Master's Degree	3	-
Bachelor's Degree	12	0.1%
Associate's Degree	16	0.1%
College Student	1,344	10.3%
High School Graduate	1,361	10.4%
GED Recipient	186	1.4%
High School Student	8,249	63.2%
Left High School	170	1.3%
Middle School Student	1,653	12.7%
N/A	64	12.7%

²⁹ Per DOES, represents wards of the District residing outside of D.C.

Youth Ages 22 to 24

The Council of the District of Columbia passed D.C. Act 21-73, the “Youth Employment and Work Readiness Training Emergency Amendment Act of 2015,” which took effect on May 26, 2015, and expired on August 24, 2015. Among other provisions, this legislation allowed employment of no more than 1,000 youth 22 to 24 years of age, to be compensated at an hourly rate of \$9.25, for not fewer than 20 or more than 40 hours per week.

As shown in Figure 10 (see next page), nearly 85 percent of eligible youth ages 22 to 24 identified themselves as “African American/Black,” and 13 percent chose the racial category, “Other.” Two-thirds of those offered jobs were female and more than three-fourths were ages 22 and 23. As was the case with eligible youth ages 14 to 21, the vast majority of these youth, 76 percent, lived in Wards 5, 7, and 8, with well more than half (537, or 59 percent) coming from Wards 7 and 8. With regard to educational attainment, 41 percent were high school graduates, 26 percent were college students, and 13 percent achieved higher level degrees.

Figure 10

Demographics, MBSYEP Youth Ages 22 to 24

Characteristic	MBSYEP Youth Eligible = 911	Percent
Gender		
Female	601	66.0%
Male	310	34.0%
Age		
22	377	41.4%
23	324	35.6%
24	210	23.0%
Ward		
1	55	6.0%
2	4	0.5%
3	0	
4	74	8.1%
5	152	16.7%
6	63	6.9%
7	269	29.5%
8	268	29.4%
Not Available ³⁰	26	2.9%
Race/Ethnicity		
African American/Black	771	84.6%
Other	119	13.1%
Hispanic/Latino	12	1.3%
American Indian/Alaskan Indian	5	0.6%
Asian/Pacific Islander	3	0.3%
Caucasian/White	1	0.1%
Education Level		
Master's Degree	7	0.8%
Bachelor's Degree	86	9.4%
Associate's Degree	25	2.8%
College Student	238	26.1%
High School Graduate	371	40.7%
GED Recipient	74	8.1%
Left High School	91	10.0%
N/A	19	2.1%

³⁰ Per DOES, represents wards of the District residing outside of D.C.

Employment Outcomes, Youth Participants Ages 22 to 24

D.C. Law 21-36, the “Fiscal Year 2016 Budget Support Act of 2015,” effective October 22, 2015, required DOES to publish on its website by February 1, 2016, aggregated information on the participants of the summer youth jobs program, including statistics on demographics, participants’ activities, and participants’ employment following the end of the program. A subsequent amendment to the Budget Support Act required the Mayor, with regard to the summer 2015 program, to conduct an assessment and evaluation of employment outcomes as of December 31, 2015, for summer employment participants 22 through 24 years of age. The “MBSYEP Summer Report: 2015” was published on the dc.gov website on February 1, 2016, providing an overview of the program, the application process for youth and employers, payroll and hours, program initiatives, youth activities, demographic of employers and youth, and post-program outcomes for youth ages 22 to 24.

In a statement submitted by the DOES Director to Councilmember Vincent Orange (Chairman of the Committee on Business, Consumer, and Regulatory Affairs) for a January 20, 2016 public hearing on permanent expansion of the MBSYEP to include participants ages 22 to 24, the Director reported that:

- 844 youth in this age group participated in the program
- 174 at August exit interviews confirmed that they were returning to school and not seeking employment, and
- 247 had been placed in jobs.³¹

On January 13, 2016, ODCA was provided data on an Excel spreadsheet, which DOES Office of Youth Programs (OYP) staff said was the source of its data on outcomes for youth ages 22 to 24. The data file provided by DOES contained detailed information pertaining to the 911 applicants determined to be eligible for the summer youth program. As ODCA was unable to identify the 844 youth reported to have accepted summer job offers from the list of 911 youth applicants, DOES was asked to provide documentation enabling identification of the 844. DOES did not provide the requested information.

As a result, ODCA’s review of DOES-reported employment outcomes for youth ages 22 to 24 was based on data regarding the 911 youth determined to be eligible, and not on the 844 reported to have accepted summer job offers. ODCA was unable to determine whether any of the 67 applicants who did not accept DOES summer job offers were included in the count of 247 youth that DOES said had been placed in jobs.

³¹ From Director’s statement submitted to the Chairman, Council Committee on Business, Consumer, and Regulatory Affairs, at a public hearing on January 20, 2016.

Nonetheless, our review of the DOES source document provided sufficient evidence to conclude that the employment outcomes data reported by the DOES Director should be viewed with caution. OYP acknowledged that the spreadsheet data were self-reported by summer youth program applicants and had not been verified. Further, ODCA observed numerous gaps in the data.

The spreadsheet indicated that 245 participants were “currently employed.” Two participants did not indicate that they were currently employed, but listed the names of employers, so DOES counted them as currently employed. The DOES Director’s statement indicated that “247 have been placed in jobs,” but it could not be confirmed that DOES actually placed all 247 participants.

Of the 247 youth that DOES said had been placed in jobs, 32 applicants already had those jobs when they started in the summer 2015 youth program. The DOES spreadsheet showed that 13 applicants listed employment start dates of 2014 or earlier and 19 applicants listed employment start dates from January to June 2015. Of the 13 applicants, 5 listed start dates in 2014, 4 listed start dates in 2013, 3 listed start dates in 2011, and 1 started in 2009.

In addition, seven applicants listed employment start dates between July 1st and July 7, 2015, just after the June 29, 2015, commencement of the MBSYEP. Further, of the 245 instances where applicants indicated that they were “currently employed,” only 136 of those applicants listed their employment start dates.

Of the 247 youth DOES reported as having been placed, 154 applicants listed their positions as part-time, 73 listed their positions as full-time, and 20 did not provide full-time or part-time status. The DOES data identified 229 employers by name but in 18 instances the employer name was not listed.

As previously noted, the DOES Director’s January 20, 2016 statement indicated that based on August 2015 exit interviews, 174 participants were returning to school and not looking for work. The original source data provided by DOES showed that 180 participants indicated they were returning to school. That source data did not contain a field where the respondent could indicate “returning to school/not looking for work.”

A second source document received by ODCA on February 19, 2016, contained a field labeled “future plans.” In that document, the available categories for selection by youth applicants were:

- Return to School;
- Seek Full-Time Employment;
- Seek Part-Time Employment;

- Unsure At This Time; or
- Other.

A review of the second source document showed that only one category could be selected by each of the 911 summer youth applicants determined eligible. In response to the question, “What are your plans for the future immediately after SYEP is over?” the same 5 categories are available for selection on the summer 2016 online MBSYEP application for youth ages 14 to 24. Neither the second source document nor the current online application contain a field where an applicant could indicate, “returning to school/not looking for work.”

Establishing that 174 participants were returning to school and not seeking work is relevant because of the role it played in the Director’s assertion that DOES achieved a goal of placing 35 percent of participants, ages 22 to 24, who were seeking employment, into jobs by December 31, 2015.³² In reaching that conclusion, DOES subtracted 174 from the 844 participants who accepted summer job offers, and applied a multiplier of 35 percent to the remaining number of participants (670), resulting in a placement target of 234.5 summer youth participants. DOES thus maintained that it exceeded the 35 percent benchmark by placing 247 participants in jobs.

The August 2015 exit interviews were not documented in the raw data provided to ODCA. When ODCA asked whether the employment information in the DOES database had been verified, OYP officials stated that the information was self-reported, and that they would run a match of the participants against the Unemployment Insurance (UI) tax wage file for the District of Columbia as of December 31, 2015, but that data would not be available before February 15, 2016.

Relying solely on self-reporting is problematic in that participants may not report or report accurately when they have found a job or left a job. There is no guarantee that summer 2015 participants would report to DOES that they found a position after the program ended, and not necessarily any reason to report having secured a position, especially if the participant secured a job without assistance from DOES.

ODCA requested the results of the UI matching process and DOES provided a two-page document titled, “22 - 24 Youth Analysis.” The narrative states that:

According to UI database information available for the fourth quarter of 2015, which represents the months of October, November, and December, a total of 274 youth participants ages 22-24 had wages reported for them. This would indicate that 274 individuals were working in an unsubsidized program.

³² Summer 2015 MBSYEP Report, p.30.

Lastly, according to UI tax database available for the fourth quarter of 2015, which represents the months of October, November, and December, a total of 191 youth participants ages 22-24 had wages reported for them, while not having wages reported in the first and second quarters. This would indicate that 191 individuals were potentially hired after in an unsubsidized job after participating in the SYEP program.

By its own analysis, DOES has acknowledged that while 274 participants had wages reported for the fourth quarter, 83 of the 274 also had wages reported for them in the first and second quarters of 2015, thus indicating that "... 191 individuals were 'potentially' (emphasis added) hired after in an unsubsidized job after participating in the SYEP program." The figure of 191 is 56 fewer than the 247 individuals that DOES said were placed in jobs. Further, a match alone does not demonstrate that DOES played a role in the job placement, nor does it tell us anything about the length of time the individual was employed. On the other hand, the UI match data for the District of Columbia will not reflect any wages earned by MBSYEP summer 2015 participants in other states, such as Maryland and Virginia.

With regard to youth participants ages 22 to 24, ODCA also asked DOES to provide documentation of all summer 2015 hiring events, including dates, employers in attendance, and names of youth hired after interviews resulting from the events. DOES provided a list of hiring events that included the names of companies and youth in attendance.

However, DOES did not document whether any of the youth were hired. Without such documentation it would be difficult to determine whether DOES initiated or facilitated a placement, or whether summer youth participants secured positions on their own accord. Rather than relying on self-reporting by summer youth participants, or an after-the fact matching process, ODCA recommends that DOES carefully document its role in post-summer youth program job placements by working with the employers who attend its hiring events and who participate directly in its placement efforts.

In response to our finding that the placement by DOES of 247 summer youth participants ages 22 to 24 into jobs as of December 31, 2015, was not sufficiently documented, the Director emphasized that the agency does not place participants in jobs; rather, "We teach them to fish." While workforce development and training programs are key components of the agency's mission, in this instance, the agency accepted the goal of placing 35 percent of these youth participants into jobs, and took credit for achieving the goal. Therefore, DOES should be able to sufficiently document the placements.

Recommendations

Recommendations:

- For purposes of accuracy and transparency, all summer youth program financial data should be recorded within DOES program code 4820, the Summer Youth Employment Program.
- DOES should establish a firm and reasonable close-out date – 30 days to three months – after the end of the summer program, after which participant data will not be changed.
- DOES should work more closely with employers to document employment outcomes, particularly for youth ages 22 to 24.

Conclusion

The District of Columbia government has devoted substantial resources to support the well-being of young people through the Marion S. Barry Summer Youth Employment Program (MBSYEP), which served almost 14,000 youth in the summer of 2015 at a total cost of \$19.3 million. The MBSYEP is a particularly important source of summer work and learning experiences for youth in Wards 5, 7, and 8, who comprised almost three-quarters of MBSYEP participants in the summer of 2015.

Although the MBSYEP expanded to serve 22- to 24-year-olds for the first time in 2015 and the Council voted to include these young adults in the program during the summers of 2016 and 2017, the vast majority of participants (93 percent) fell into the traditional 14-to-21 age group during the summer of 2015.

The MBSYEP budget has grown in recent years in order to serve 22- to 24-year-olds, account for wage increases, and provide transportation subsidies. The original FY 2016 MBSYEP budget of \$15.2 million has been increased to \$20.3 million, reflecting a \$4.8 million allocation from the District's contingency cash reserve fund and a \$250,000 inter-agency transfer from the Department of Disability Services.

ODCA recommends a number of steps for the Department of Employment Services (DOES) to strengthen its management of the MBSYEP. First, DOES should record all MBSYEP revenues and expenditures under program code 4820 ("Summer Youth Employment Program") to provide policymakers with an accurate accounting of the resources devoted to the MBSYEP. Second, DOES should finalize its reporting of program participants, activities, and results no later than three months after the end of the summer program in order to provide policymakers with timely information and ensure the accuracy of the data. Third, DOES should work more closely with employers to track the employment outcomes of MBSYEP participants, particularly those in the 22- to 24-year age group who may be entering the work force full-time.

Agency Comments

On May 13, 2016, the Office of the District of Columbia Auditor (ODCA) sent a draft copy of this report to the Director of the Department of Employment Services (DOES) for review and written comment. DOES provided written comments dated May 27, 2016. The comments are shown below in their entirety.

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Employment Services

MURIEL BOWSER
MAYOR



DEBORAH A. CARROLL
DIRECTOR

May 27, 2016

Ms. Kathleen Patterson
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, NW, Suite 900
Washington, DC 20005

RE: May 13, 2016 Review of MBSYEP Data and Activities

Dear Ms. Patterson:

This letter is in response to your letter dated May 13, 2016, regarding ODCA’s report entitled, “*Review of Mayor S. Barry Summer Youth Employment Program Data and Activities.*” Thank you for the opportunity to participate in this review.

As requested, DOES has prepared a separate, written response that addresses each recommendation from the Office of the District of Columbia Auditor. Please find our response attached.

Additionally, the following timeframes from implementation, specific to ODCA’s recommendations and for which DOES is in agreement, is provided below:

Recommendation Number	Timeframe Implementation
4.	June 2016
9.	September 2016
13.	September 2016

While the report raises numerous concerns specific to the Mayor Barry Summer Youth Employment Program (MBSYEP), the District’s commitment to strengthen and expand high quality employment training and supplementary support services to District residents remains paramount.

Please let me know if you have any questions. We look forward to your response, as well as receiving a final copy of your report.

Sincerely,

Handwritten signature of Deborah A. Carroll.

Deborah A. Carroll
Director

cc: Courtney Snowden, Deputy Mayor of Greater Economic Opportunity
Rashad Young, City Administrator
Lawrence Perry, ODCA

Attachment



Department of Employment Services (DOES)
Management Response
to
Office of the District of Columbia Auditors (ODCA)

“Review of Mayor S. Barry Summer Youth Employment Program Data
and Activities”

Report Findings
May 27, 2016

Overview Statement

The Department of Employment Services (DOES) has reviewed information contained in the above referenced District of Columbia Auditor (ODCA) review of the Mayor Marion S. Barry Summer Youth Employment Program. The review contains an analysis of data and program information, conclusions, and three recommendations based upon ODCA's report documenting background and summary data on Summer 2015 operations to provide a picture of the program in its present form and to provide context for policy making and the public in deliberations affecting the program.

DOES welcomes this review and is in agreement with several of the recommendations, many of which are already in progress at the agency. We are encouraged that many of the recommendations outlined in this report are consistent with the direction we have been taking this program in Fiscal Year 2016.

Each of the evaluation recommendations is discussed in the attached.

MAJOR FINDINGS

Finding #1

The majority of MBSYEP positions, 78 percent, were assigned to District government agencies and community-based nonprofit organizations. Private companies and public charter schools accounted for 19 percent of positions assigned. The remaining 3 percent were assigned mainly to federal government agencies.

Management Response:

Management concurs with this finding and recognizes the importance of government and community based and non-profit sector jobs-the second and third largest employers in the District of Columbia. The District is more unique than any other jurisdiction in the country, as the first largest employer is the federal government, the second largest is the District government, and the third largest is non-profit sector. As such, there will be a proportional impact on the number of available SYEP slots available for youth in private industry. The largest sector of SYEP employers were non-profit and community based organizations. These include some of the most important work-based learning opportunities in STEM and STEEM, in institutions such as Providence Hospital, CVS, Howard University Hospital, and George Washington Hospital.

However, DOES agrees that more can and should be done to increase the number of available jobs in private industry. The Workforce Investment Council in partnership with DOES facilitated two major initiatives that we expect will increase availability of jobs in the private sector.

First: The White House/LinkedIn Partnership, where LinkedIn assists the District with recruiting private sector employers for youth; and

Second: The White House Summer Opportunity Hub, where an employment navigator is assigned to assist with recruiting private employers to fund summer youth slots.

As of May 26, 2016, there are 700 Host Employers:

- Non-Profit 252
- District Government Agency 63
- Charter School 19
- Private Sector 261

- Public School 45
 - Federal Government Agency 34
 - Private School 21
- Total 700

Compared to FY 15 where 146 private companies posted positions to serve as host employers, as of May 26, 2016, the number of private sector summer employment opportunities increased by 44% and there are 1,691 private SYEP slots.

Moving forward, DOES will continue to work on efforts to boost private companies, public charter schools and federal government enrollment in its MBSYEP and will ensure that summer employment activities are offered as a core component of their business strategy.

Finding #2

DOES contracted with 21 community-based nonprofit organizations to provide enrichment services (such as employability skills training, workplace readiness, financial literacy, career exploration, and work experience training). DOES also signed memorandums of understanding with six District government agencies to provide structured summer programs for MBSYEP participants.

Management Response:

Management concurs with this finding. There were a wide range of program offerings described in the report, where youth were able to develop awareness of the occupations in various industries, STEM and STEAM, leadership, community outreach and development, global and international relations, to name a few.

Finding #3

DOES paid \$1,680,000 to the Washington Metropolitan Area Transit Authority (Metro) to subsidize transportation costs for youth participants.

Management Response:

Management concurs with this finding. Transportation costs were authorized by the Council pursuant to the “The Marion Barry Summer Youth Employment Expansion Amendment Act of 2015” to improve youth retention due to the high costs of transportation in the District of Columbia. The District’s commitment to its youth goes beyond allowing for an income but also includes transportation and other essential wrap around support services.

Finding #4

Although a budget was in place to cover summer 2015 MBSYEP expenditures, major elements were charged elsewhere. For youth ages 22 to 24 hired into the MBSYEP, wages and employment taxes in excess of \$1.1 million were charged to the DOES FY 2015 Year Round Youth Program budget, and wages and employment taxes of nearly \$200,000 were charged to the DOES FY 2015 Local Adult Training Program budget. Therefore, actual FY 2015 summer youth employment program expenditures were \$1.3 million more than the \$18.0 million of expenditures recorded against the FY 2015 MBSYEP budget.

Recommendation:

For purposes of accuracy and transparency, all summer youth program financial data should be recorded within DOES program code 4820, the Summer Youth Employment Program.

Management Response:

Management concurs that the activities associated with SYEP should be aligned with the budget. The Mayor's primary objective is to ensure full financial transparency across programs. Moving forward, the OCFO has taken the necessary steps to ensure these funds are appropriately captured in 4820- the SYEP budget. Some of these funds were programmatic enhances to participants in SYEP as a gateway into the Year Round and Local Adult programming. Currently, DOES is working with Office of Chief Financial Officer (OCFO), to determine whether these costs should be captured in the SYEP program line item 4820 or within the year-round youth and local adult programs, as these intensive services are part of the core service offerings of DOES' Workforce Development Programs.

Finding #5

Due to statutorily-mandated wage increases, employment taxes, a transportation subsidy, and expansion of the MBSYEP to include youth ages 22 to 24, the original approved FY 2015 MBSYEP local funds budget increased from \$12.0 million to \$18.1 million, an increase of more than 50 percent. The original approved FY 2016 MBSYEP local funds budget of \$15.2 million is \$3.2 million less than the FY 2015 revised gross budget of \$18.4 million, and \$4.1 million less than FY 2015 actual expenditures of \$19.3 million.

Management Response:

Management concurs with this finding. The variance in the budget was due to the Council limiting their approval of the expansion of SYEP for 22-24 year olds to one year. New legislation was proposed on September 22, 2015 to make this expansion permanent, which was deliberated by the Council while the budget was being formed for FY 16. This resulted in fluctuating patterns of the MBSYEP budget.

Finding #6:

Recent legislation continued the MBSYEP expansion into FY 2016 and FY 2017. For the summer 2016 program, as of July 1, 2016, youth ages 22 to 24 must be paid a minimum wage of at least \$11.50 per hour (up 24 percent over the summer 2015 wage of \$9.25). These factors indicated the need for additional funds to support the FY 2016 MBSYEP. In late March 2016 the MBSYEP was provided an additional \$4.8 million from the District's contingency reserve fund, and an intra-district transfer provided an additional \$250,000 (both figures rounded). As a result, the FY 2016 MBSYEP gross budget now totals \$20.3 million.

Management Response:

Management concurs with the facts in this finding. As noted in #6 the Council passed legislation which authorized MBSYEP expansion of 22-24 year olds for two additional years. The additional \$250K Intra-District are federal resources from the Department on Disability Services is to pay youth with Individual Education Plans (IEPs) the prevailing minimum wage, in accordance with the Workforce Innovation and Opportunity Act of 2014.

Finding #7

Donations to support the MBSYEP can be made through the DOES website. A review of recent donations reports, however, showed that as of December 31, 2015, no donations were made on behalf of the MBSYEP.

Management Response:

Management concurs with this finding.

- DOES has budget authority to accept donations to support the program. There is currently a link on the program website, www.summerjobs.dc.gov that allows for individual donors to make contributions through the DC Office of Partnerships and Grant Services (OPG) approved donations process.
- In 2015, DOES applied for and was awarded a \$260K grant from the Cities for Financial Empowerment Fund (CFE) to expand services and increase its financial literacy efforts. The funding provided by CFE allowed the District to place additional focus on financial empowerment and literacy by designing a web-based educational platform to educate and assess youth progress beyond their 6-week work experience. Additionally, the funds allowed the program to increase the number of youth participants served in the MBSYEP and to expand its Savings Incentive Challenge, which provided youth with an opportunity to win a \$1,000 savings incentive.

Finding #8

Nearly two-thirds of applicants, ages 22 to 24, and more than one-third of applicants ages 14 to 21 were determined ineligible for the summer 2015 MBSYEP.

Management Response:

Management concurs with this finding. Applicants are required to complete all the necessary steps to determine eligibility to ensure that only qualified DC residents are employed by the program and all legal requirements as an employer in the District of Columbia are met.

Finding #9

Although the summer 2015 MBSYEP ended on August 7, 2015, DOES subsequently made adjustments in reported youth eligibility data up to a few days before issuance of its “Summer 2015 MBSYEP Report” on February 1, 2016.

Recommendation:

DOES should establish a firm and reasonable close-out date – 30 days to three months, i.e. one month or one quarter -- after the end of the summer program, after which participant data will not be changed.

Management Response:

Management concurs with this recommendation and the following steps are being taken to address this issue:

- DOES will establish a closeout date and freeze the data captured at that moment.
- DOES will establish internal controls and implement policy changes that will be reflective of the data indicated by the MBSYEP program.
- DOES will review systems of other jurisdictions to see how they capture and secure data.

Finding #10

The vast majority of youth determined eligible for the MBSYEP, 93 percent, were between the ages of 14 and 21. The remaining 7 percent were between the ages of 22 and 24.

Management Response:

Management concurs with this finding. The Council approved expansion of youth in the MBSYEP program to 1,000 22-24 year olds, consistent with the federal policies under the Workforce Investment and Opportunity Act of 2014.

Finding #11

As the MBSYEP expanded in the summer of 2015 to include youth ages 22 to 24, the number of youth ages 14 to 21 determined eligible and offered jobs declined from 13,766 in 2014, to 13,058 in 2015, a reduction of 708 youth.

Management Response:

Management concurs with this response. There are a host of possible reasons why the number of youth declined in the MBSYEP, including the robust economy and therefore more opportunities for youth to gain employment. Further study is needed to determine what may have contributed to the decline. We will include this analysis in the independent evaluation.

Finding #12

About three-quarters of youth determined eligible for the MBSYEP resided in Wards 5, 7, and 8, and well more than half of those determined eligible resided in Wards 7 and 8.

Management Response:

Management concurs with this finding. Particular focus is given to low income communities, consistent with Mayor Marion Barry's vision when the MBSYEP program was created in 1979.

Finding #13

DOES stated that it placed 247 summer youth participants ages 22 to 24 into jobs as of December 31, 2015. However, the placements were not sufficiently documented.

Recommendation:

DOES should proactively work with employers to document employment outcomes, particularly for youth ages 22 to 24.

Management Response:

Management partially concurs with this finding. DOES counted 247 youth who obtained employment in 2015 through various means, including offer letters or emails provided by employers, emails and phone calls from youth, as well as follow up calls from DOES case managers to youth. Then, DOES conducted a series of data matches, with the DC Unemployment Insurance Tax data base and found the following:

1. Earnings captured for those 844 youth who participated in the MBSYEP program who had taxable wages reported in Quarter 1 of Calendar year 2015, earnings increased by **161%** at the close of Quarter 4, from **\$389,897** to **\$1,018,749**, respectively.
2. According to UI tax database information available for the fourth quarter of 2015, which represents the months of October, November, and December, a total of **274** youth participants ages 22-24 had wages reported for them. This would indicate that **274** individuals were working in unsubsidized employment.

3. According to UI tax database information available for the fourth quarter of 2015, which represents the months of October, November, and December, a total of **191** youth participants ages 22-24 had wages reported for them, while not having wages reported in first and second quarters. This would indicate that **191** individuals were potentially hired after in an unsubsidized job after participating in the SYEP program.
4. DOES partially agrees with the recommendation because even using the most reliable means of verifying employment, there were data limitations as the D.C. UI tax system does not contain residents who work in Maryland or Virginia.

Therefore, in preparation for FY 2016 MBSYEP DOES entered into a trade agreement with the State of Maryland and is in the process of the same with the state of Virginia Bureau of Labor Statistics to exchange UI Tax information. Once completed and operational DOES will have an independent and more reliable means of verifying employment by conducting a data match with DC, Maryland and Virginia's Unemployment Insurance Tax systems. DOES will employ these national best practice strategies to verify the short and long term outcomes of SYEP youth living and working in the surrounding community.

In conclusion, DOES looks forward to working with the ODCA, Councilmembers, and stakeholders to ensure investments will promote a comprehensive youth development initiative in the nation's capital, particularly as it relates to private sector opportunities and career pathways for older youth in the program.

Auditor's Response to Agency Comments

The Office of the District of Columbia Auditor (ODCA) thanks the Department of Employment Services (DOES) for its written comments on a draft of this report. We appreciate the detailed and constructive response as well as the description of DOES' plans to act on some of the recommendations. DOES concurred with 12 of 13 findings and 2 of 3 recommendations included in the draft report.

DOES partially concurred with ODCA's finding that, "DOES stated that it placed 247 summer youth participants ages 22 to 24 into jobs as of December 31, 2015. However the placements were not sufficiently documented." DOES noted that it obtained data on youth employment through (1) offer letters or e-mails provided by employers, e-mails and phone calls, and follow-up calls from DOES case managers to youth, and (2) conducted a series of data matches using the unemployment insurance (UI) tax database. Nevertheless, ODCA maintains that DOES must review the data more carefully to avoid counting youth who were employed before or during the summer program, to verify the number of youth returning who are not seeking work in the fall after the program ends, and to track the outcomes of hiring events and agency contacts with employers.

DOES partially concurred with ODCA's recommendation that, "DOES should proactively work with employers to document employment outcomes, particularly for youth ages 22 to 24." DOES noted that there are limitations on its ability to verify employment; for example, the UI tax database matches that DOES conducted do not identify wages that D.C. youth may have earned outside of the District. To remedy that deficiency, DOES has entered into an agreement with Maryland to share UI tax information and is planning to implement a similar agreement with Virginia. ODCA acknowledges DOES' efforts to improve its data collection concerning youth employment, but reiterates that the difficulty of gathering reliable data only reinforces the importance of close communication with employers on labor market outcomes.

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