

FINAL BILL REPORT

SHB 2230

C 92 L 24
Synopsis as Enacted

Brief Description: Promoting economic inclusion by creating the economic security for all grant program.

Sponsors: House Committee on Human Services, Youth, & Early Learning (originally sponsored by Representatives Peterson, Eslick, Gregerson, Ramel, Reed and Waters).

House Committee on Human Services, Youth, & Early Learning
House Committee on Appropriations
Senate Committee on Human Services

Background:

Economic Security for All Grants.

Since 2022 the Legislature has appropriated funding in the state operating budget to the Employment Security Department (ESD) to administer Economic Security for All (EcSA) grants. The EcSA program is a poverty reduction model that coordinates existing programs to increase their collective ability to help low-income people move toward self-sufficiency.

At the local level, the EcSA program is run by partnerships of community service providers, incorporating the perspectives of persons who have experienced living in poverty, and is convened and coordinated by local workforce development councils. The EcSA program has a technical advisory committee, composed of representatives of state agencies, labor unions, nonprofits, and local implementation entities, that advises the ESD on programmatic decisions related to required elements, service delivery, program alignment, and poverty.

The ESD is required to collect quarterly data on the number of participants in the program, the costs associated with career, training, and other support services provided, including but not limited to, child care, housing, transportation, and car repair, and participants' progress towards self-sufficiency. The ESD is required to report to the Governor and the Legislature twice per year with an analysis of the program, a detailed summary of collected data, and associated recommendations for program delivery.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Local Workforce Development Councils.

Federal law requires each state to establish a state workforce development board tasked with the development and continuous improvement of the state's workforce development system, among other responsibilities. In Washington this is fulfilled through local workforce development councils that lead local partnerships with community organizations and people experiencing poverty. Depending on local need, partnerships include housing insecurity programs, workforce development programs, local Department of Social and Health Services (DSHS) service providers and other community-based organizations. The councils also manage subcontractors, to ensure that rules are followed and programs are aware of best practices.

The Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force.

The Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force (LEWPRO) oversees the operation of the Temporary Assistance for Needy Families Program and WorkFirst. The LEWPRO is additionally responsible for: developing and monitoring strategies to address adverse childhood experiences and reduce intergenerational poverty, in collaboration with the Intergenerational Poverty Advisory Committee; seeking input from various entities on best practices for poverty reduction; analyzing available data regarding intergenerational poverty; and recommending policies to the Governor and the Legislature to reduce intergenerational poverty and promote and encourage self-sufficiency. A poverty reduction steering committee (steering committee) made up of people reflecting the demographic and geographic experience of poverty advises the LEWPRO.

Measures of Poverty and Self Sufficiency.

The United States Department of Health and Human Services establishes poverty guidelines that are used to determine financial eligibility for certain programs. Updated guidelines are available annually in mid-January. Currently 200 percent of the federal poverty level for a single person is \$30,120 annually. For a family of four, it is \$62,400 annually.

The University of Washington maintains a self-sufficiency calculator, which is an affordability and living wage economic security measure that serves as an alternative to the official poverty measure. The calculator defines the minimum adequate income level for working families, taking into account family composition, ages of children, and geographic differences in costs.

Summary:

The Economic Security for All Grant Program.

The EcSA program is codified and made an ongoing program within the ESD. The stated purpose of the program is to empower and incentivize communities to coordinate existing poverty reduction resources and benefits to make them easier to access, get them to the people who need them, and work as a coordinated system to help more people move out of poverty and be included in Washington's economic success.

Subject to the availability of amounts appropriated for this specific purpose, the ESD, in consultation with the DSHS, the Department of Commerce (COM), the Department of Children, Youth, and Families (DCYF), the Health Care Authority (HCA), the Workforce Training and Education Coordinating Board (WTB), the steering committee, and other stakeholders, must make and oversee the implementation of EcSA grants. Grants must be awarded to local communities throughout all regions of the state, and distributed using a funding allocation model. Grants are to be utilized to promote equity, economic inclusion, and a stable financial foundation for people experiencing poverty and people who demonstrate financial need, with a particular focus on people of color and people in rural counties including tribal nations, primarily through better coordination of existing programs, resources, and provision of business services.

People experiencing poverty include people with a household income that is at or below 200 percent of the federal poverty level. People who demonstrate financial need include people with a household income that is above 200 percent of the federal poverty level, but below self-sufficiency who need employment-related services to achieve self-sufficiency.

Recipients of EcSA grants must:

- coordinate with existing local providers to make benefits easier to access and work as a coordinated system to help more people move out of poverty and be included in the state's economic success;
- provide input to the ESD in its efforts to identify examples of federal regulations that prevent better local coordination and to identify the need for additional state or federal funding for continuous improvement of the poverty reduction system in future years;
- coordinate leadership among the local workforce development council, associate development council, and other organizations;
- utilize existing local workforce development councils to serve as the fiscal agent for grant administration, and to develop grant partnerships that include, at a minimum, people experiencing poverty, people of color, homelessness programs, and representatives of the Health Care Authority, community services offices, accountable communities of health, and associate development organizations;
- work with people experiencing poverty and people who demonstrate financial need to ensure they have access to multiple benefits to help them meet their basic needs and, when ready, to develop individualized career plans that will lead to a self-sufficiency wage;
- provide streamlined access to local partners who can pay for elements of education or training, or who can make monthly payments while in training, to facilitate the individualized career plan for a person experiencing poverty or person with financial need;
- through the local workforce development councils, develop a grant coordination team that works to facilitate convenient one-stop access to all state and local government services, which may utilize and build upon, rather than duplicate, existing

- coordinators and navigators that are already in place in the community;
- provide equitable access to state and local government services for people with disabilities, which may include equipment and technology purchases;
- provide options for career development, English language learning, and other services for both parents in two-parent families, including childcare if desired by the family; and
- when available, use the local and state teams already in place for similar efforts.

By December 1, 2024, and annually thereafter, the ESD must report on the EcSA program to the Governor, the Legislature, and the LEWPRO. The report must include an analysis of the program, a detailed summary of the quarterly data collected, demographics and geography of people served, services delivered, average length of participation, number of persons served by the grants maintaining self-sufficiency in the years following program exit, and associated recommendations for program delivery. The report must additionally include an analysis of customer feedback and responsive action taken, based upon a standardized customer feedback mechanism.

Other Provisions.

The ESD, in consultation with the DSHS, the COM, the DCYF, the HCA, the WTB, the steering committee, and other stakeholders, must identify federal reforms that would help persons served by EcSA grants access the federal benefits they need more efficiently, avoid sudden benefit cuts as their earned income increases, and move from poverty to self-sufficiency more effectively. The ESD may also apply for federal waivers and propose federal law changes to make the authorizing environment better support coordinated service delivery across programs.

The DSHS, in consultation with the ESA, the COM, the DCYF, the HCA, the WTB, the steering committee, LEWPRO, and other stakeholders, must further develop measures and indicators of yearly progress toward poverty reduction, reducing income inequality, and achieving an equitable and inclusive economy. In doing so, the DSHS must use the University of Washington self-sufficiency standard as a primary measure, as well as other measures already underway in the DSHS technical advisory group on inclusive economic recovery, and apply those measures as needed to help promote a statewide economy that is inclusive of rural areas, racially equitable, and fully inclusive of people experiencing poverty, people of color, people with disabilities, unhoused people, and other key demographics that have historically been left behind by the state economy.

Members of the steering committee must be reimbursed for travel expenses, childcare, and other expenses as needed for each day of attendance at meetings to provide consultative assistance related to the EcSA grant program and identification of needed federal reforms and poverty measures.

Votes on Final Passage:

House 93 4

Senate 47 1

Effective: June 6, 2024