



## Agency Recommendation Summary

This request is for expansion of the Economic Security for All (EcSA) program to help an additional 1,850 families achieve self-sufficiency. This innovative program was first piloted in 2019 and expanded in 2021 by Governor Inslee. The pandemic has proven to disproportionately affect persons of color, not only in terms of health impact and rates of death, but also through economic impact. A 2019 study by the Kaiser Family Foundation identified that the rates of poverty pre-pandemic were nearly double the rates for white and Asian families. This expansion is a necessary step in reducing poverty and barriers for persons of color in Washington state.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	0.0	1.5	0.75	1.5	0.0	0.75
<b>Operating Expenditures</b>						
Fund 706 - 2	\$0	\$6,208	\$6,208	\$6,208	\$0	\$6,208
Total Expenditures	\$0	\$6,208	\$6,208	\$6,208	\$0	\$6,208
<b>Revenue</b>						
706 - 0317	\$0	\$6,208	\$6,208	\$6,208	\$0	\$6,208
Total Revenue	\$0	\$6,208	\$6,208	\$6,208	\$0	\$6,208

## Decision Package Description

Over 1.8 million Washingtonians, or 25%, are living in poverty, earning less than \$34,480 annually for a family of 2. Navigating out of poverty toward full self-sufficiency involves blending multiple state and federal resources to receive necessary services. This request would serve an additional 1,850 families in Washington state at an average cost of \$6,500 per family.

As the designated state workforce agency for the Workforce Innovation and Opportunity Act (WIOA), ESD is charged to help more Washingtonians enter secure careers, with an emphasis on low-income and disadvantaged populations. ESD is responsible to the United States Department of Labor (USDOL) to prioritize workforce development services to people on public assistance, people with basic skills deficiencies, and low-income individuals. Both the Governor and USDOL require a strong emphasis on coordination across multiple programs including SNAP, TANF, and WIOA.

In 2021, Governor Inslee funded Round Two of the EcSA program, which implemented statewide deployment of the program and currently serves over 1,800 households. EcSA is a poverty reduction and equity program that directly addresses the need for economic recovery after the pandemic, especially for people of color and rural communities. It brings multiple programs together at the local level to help people move out of poverty. Programs increase their collective impact by establishing a customized self-sufficiency goal for each customer, a career plan to get there, and a combined effort across multiple programs to help the customer succeed.

Specifically, EcSA accomplishes this by funding local partnerships, coordinated by Local Workforce Investment Boards, that are required to:

1. Develop a local leadership coalition or use an existing local partnership that must include people experiencing poverty, people of color, housing insecurity programs, workforce development programs, local Department of Social and Health Services (DSHS) Community Service Office representation, and other local partners based on identified local need.
2. Build a local coordination team that: develops individualized career plans, sets a customized target for each household using the UW self-sufficiency calculator; bundles multiple services to help each household stabilize and work toward their earnings goal; streamlines access so people receive all the benefits they are eligible for; and provides robust wrap-around support for education and training to help participants persist to completion.
3. Prioritize racial equity, homelessness, SNAP recipients and serving other disadvantaged populations.
4. Meet or exceed quarterly targets for number enrolled into EcSA, number entering education/training leading to their self-sufficiency goal, and number of households moved out of poverty and above their UW self-sufficiency goal.

EcSA contracts are managed by the ESD. The EcSA Technical Advisory Committee advises ESD and is comprised of members from the following:

- DSHS,

- Commerce,
- WTECB,
- SBCTC,
- labor unions,
- employers,
- Seattle King County Public Health,
- the Murdock Trust, and
- Costco’s Mentor Washington program.

Problem, Opportunity, Priority being addressed

EcSA’s purpose is to move people out of poverty to full self-sufficiency, by bundling services conveniently for customers, in a manner that is scalable. This allows EcSA to expand as it demonstrates success, so we can move more people out of poverty each year.

EcSA is a response to needs identified by the Poverty Reduction Work Group’s (PRWG) Steering Committee, which consists of twenty people experiencing poverty from diverse backgrounds. The Steering Committee members consistently report feedback about the difficulty and challenges to access programs and services individuals need. They indicate that many of those programs are not focused on helping individuals move into careers that create permanent self-sufficiency.

EcSA is unique because it works with individuals with lived experience in poverty, along with social service agencies, to organize the existing disconnected services and programs to make them easier to access, customer friendly, more effective, and coordinated around self-sufficiency goals that will move more families out of poverty.

Alternatives explored

When initially developing the EcSA program, PRWG identified that, while existing programs made a significant difference in serving a specific issue in a customer’s life, multiple barriers exist in terms of allowable activities, level of services and limits on the time frame in which services are available. No other alternative provided a path to self-sufficiency that helped clients to navigate the multiple systems and requirements.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

N/A

### **Detailed Assumptions and Calculations:**

The following assumptions and calculations are based on current EcSA contractual targets from rounds 1 and 2 for program enrollment and the assumption that face-to-face services will be available and improve outcomes.

Estimated cost per enrollee: \$6,500

Expected numbers who will be served: 1,850

Total grant funds requested: \$12,025,000

*Note: Grant funds are provided to Local Workforce Development Councils through contracts.*

This average cost per enrollee is provided to Local Workforce Development Councils through contracts and represents the average cost to provide the EcSA program elements outlined above for one participant, including:

- Career planning that includes establishment of self-sufficiency goal
- Needs assessment and streamlined connections to resources to meet basic needs
- Intensive case-management/navigator support
- Connections to subsidized education and training

Current EcSA contractual successful outcomes include:

1. Attainment of employment with annual earnings above \$34,480, or
2. Persistence in training that leads to employment above \$34,480 at the end of the EcSA period of performance

### **Workforce Assumptions:**

**Program Management:** Management and operational oversight will be provided by ESD. ESD is requesting one Management Analyst 5 and one-half of a fiscal analyst 3 to process payments and coordinate reporting. Consultation with DSHS, Commerce, and other stakeholders will be provided through EcSA's Technical Advisory Committee and Strategic Leadership Team, and those ESD staff currently supporting the EcSA program will support the expansion as in-kind resources.

### **How is your proposal impacting equity in the state?**

This program targets those individuals who have had difficulty in achieving self-sufficiency. The current EcSA enrollees have the following characteristics:

- 24% housing insecure or homeless
- 49% Black, Indigenous People of Color (BIPOC)
- 100% below the SNAP income level (200% FPL).

Expansion of EcSA will help those disproportionately affected achieve self-sufficiency.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This proposal is aligned with ESD’s value of diversity, equity, and inclusion in reflecting the communities we serve and in using collaboration to value its partnerships.

This proposal supports Results Washington’s goal for economic recovery, and advances three of the Washington Recovery Group’s goals for inclusive economic recovery.

1. Create an integrated human-centered support system to equitably connect people to information.
2. Align and integrate services across the workforce development system.
3. Collaborate as an enterprise to implement the Blueprint for a Just & Equitable Future, the 10-Year Plan to Dismantle Poverty.

### **Performance Outcomes:**

- Number enrolled
- Number moved out of poverty and retaining employment above their self-sufficiency wage
  - By race, housing insecure, other disadvantaged populations
- Number moved into training, education, or work-based learning for an occupation paying above their self-sufficiency wage
  - By race, housing insecure, other disadvantaged populations
- % BIPOC enrolled (currently 49%)
- % housing insecure enrolled (currently 24%)
- Number of local plan updates as partnerships work across programs to create a new human-centered poverty reduction system

**Other Collateral Connections**

**Puget Sound Recovery:**

None.

**State Workforce Impacts:**

None.

**Intergovernmental:**

Consultation and collaboration with DSHS and Commerce through the EcSA Technical Advisory Committee and EcSA Strategic Leadership Committee. Contracts will provide the funding to Local Workforce Development Boards.

**Legal or Administrative Mandates:**

None.

**Stakeholder Response:**

This program requires coordination of ESD, DSHS, Commerce, and other local and state partners.

The following organizations would be likely to support this appropriation:

1. Poverty Reduction Work Group (PRWG)
2. Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force (LEWPRO)
3. Local Workforce Development Boards (LWDBs)
4. Department of Social and Health Services (DSHS), Department of Commerce, Department of Children, Youth & Families (DCYF), Washington State Health Care Authority (HCA), Department of Health (DOH), State Board of Community and Technical Colleges (SBCTC), and Workforce, Training and Education Board (WTECB)
5. Poverty advocacy organizations
6. Labor organizations
7. Philanthropic organizations

**Changes from Current Law:**

None. This is a budget item only, to appropriate ARPA funding to the existing EcSA program.

**State Facilities Impacts:**

None.

**IT Addendum**

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

**Objects of Expenditure**

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$0	\$103	<b>\$103</b>	\$103	\$0	<b>\$103</b>
Obj. B	\$0	\$41	<b>\$41</b>	\$41	\$0	<b>\$41</b>
Obj. E	\$0	\$23	<b>\$23</b>	\$23	\$0	<b>\$23</b>
Obj. N	\$0	\$6,013	<b>\$6,013</b>	\$6,013	\$0	<b>\$6,013</b>
Obj. T	\$0	\$28	<b>\$28</b>	\$28	\$0	<b>\$28</b>

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