

ECONOMIC SERVICES ADMINISTRATION
Employment and LEP Programs



2015-17 BIENNIAL BUDGET

Reduction Option	FY16	FY17	15-17
FTE	(0.0)	(0.0)	(0.0)
GF-State	(\$1,500,000)	(\$1,500,000)	(\$3,000,000)
Total	(\$1,500,000)	(\$1,500,000)	(\$3,000,000)

REDUCTION OPTION SUMMARY

As required by 2015-17 Biennial Budget Instructions, the Economic Services Administration (ESA) is submitting the following reduction option that would reduce funding for the Commerce Department’s subsidized community employment and Limited English Proficiency (LEP) programs. By implementing this reduction, ESA expects to be able to provide fewer Temporary Assistance for Needy Families (TANF)/WorkFirst clients with services and supports designed to lead to employment and self-sufficiency.

REDUCTION OPTION DETAIL

The Commerce Department operates programs that provide TANF/WorkFirst clients with opportunities to gain job skills and experience through a number of work readiness programs, including:

- The Community Jobs program provides subsidized public and non-profit sector employment to hard-to-employ TANF/WorkFirst recipients with concurrent training to develop much needed work skills.
- The Limited English Proficiency (LEP) Pathway provides specialized, culturally appropriate services to refugees and other WorkFirst parents with limited English proficiency. The goal of the LEP Pathway is to increase parents' employability and self-sufficiency.
- The Community Works program provides participants, who are unable to obtain employment, with an unpaid structured work activity. Clients can participate in activities designed to build work skills for up to 12 months.

These programs serve some of Washington’s neediest and hardest to serve families. These programs often serve families when other activities have not been successful in preparing them for the labor market

Reduced funding will mean fewer TANF/WorkFirst clients will be able to participate in these programs which are designed to lead to employment and self-sufficiency. Additionally, reduced funding for these programs may have an adverse impact on Washington’s ability to meet the federal Work Participation Rates required for the TANF program.

Under federal TANF rules, adults in a family receiving TANF assistance are required to participate in activities intended to move the family to self-sufficiency. Each state must meet participation rate targets as a measure of its success in engaging adults in required activities. States that fail to meet the required targets are subject to penalty. Washington



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State is currently struggling to meet participation requirements and has relied on Maintenance of Effort (MOE) spending to reduce the required target. Work readiness programs operated by the Department of Commerce have traditionally been an effective means to obtaining client participation. Reduced funding for these programs and any resulting loss in participation may make it impossible for the state to meet its participation rates. This could result in penalties, in the form of reduced federal funding, that will be in excess of the expected savings identified in this reduction option.

This reduction will also decrease the amount of GF-State available to meet federal the Maintenance of Effort (MOE) requirement for the TANF program. This will increase the reliance on qualifying GF-State spending in other state agencies in order to ensure the MOE spending requirement is met. Failure to meet the MOE spending requirement results in a penalty to the state. This penalty is a reduction to the federal TANF block grant equal to the amount of the MOE underspend. The loss of federal funds due to a penalty must be replaced with GF-State spending. GF-State spending required to replace a penalty does not count toward meeting the MOE requirement.

This proposal would not require a statutory change.

STAKEHOLDER IMPACT

The Commerce Department and advocates will not support this proposal because it reduces critical resources needed to support some of the WorkFirst program's neediest families, many of whom experience significant barriers to obtaining employment and progressing toward self-sufficiency.



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