

**ECONOMIC SERVICES ADMINISTRATION**  
**SBCTC - Work Study**  
**2015-17 BIENNIAL BUDGET**



Reduction Option	FY16	FY17	15-17
FTE	0.0	0.0	0.0
GF-State	(\$1,000,000)	(\$1,000,000)	(\$2,000,000)
<b>Total</b>	<b>(\$1,000,000)</b>	<b>(\$1,000,000)</b>	<b>(\$2,000,000)</b>

**REDUCTION OPTION SUMMARY**

As required by 2015-17 Biennial Budget Instructions, the Economic Services Administration (ESA) is submitting the following reduction option that would eliminate funding for an increase in the Work Study program administered by the State Board for Community and Technical Colleges (SBCTC). By funding this request, ESA expects fewer Temporary Assistance for Needy Families (TANF)/WorkFirst clients will be able to participate in Work Study programs at the community and technical colleges.

**REDUCTION OPTION DETAIL**

The Work Study program offers employment opportunities for students in jobs (located on-or off-campus) which are usually related to a student’s area of study. WorkFirst Work Study combines work and classroom learning experiences for TANF/WorkFirst students to increase education levels, job skills, and retention for most participants. Students receive a maximum of four quarters of Work Study. These students are TANF recipients who do not qualify for federal or state Work Study. This program serves some of Washington’s neediest and hard to serve families by providing them with employment opportunities that can help pay the cost of their education.

Reduced funding for WorkFirst Work Study would have a detrimental effect on Washington’s ability to meet the federal Work Participation Rate (WPR) targets required for the TANF program. Washington is currently struggling to meet its participation requirements and has relied on Maintenance of Effort (MOE) spending to lower the required target. By meeting the reduced target rate, the state can avoid escalating and cumulative federal penalties to the federal block grant. WorkFirst Work Study has traditionally been an effective means to increase participation which helps in meeting the participation target and also moves families toward self-sufficiency. The loss of this participation, coupled with an increasing federal target, increases the risk the state will not make its target and will incur federal penalties that exceed the savings identified in this reduction option.

This reduction will decrease the amount of GF-State available to meet the federal 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



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**ECONOMIC SERVICES ADMINISTRATION**  
**State Board for Community and Technical Colleges**  
**(SBCTC) Work Study Increase**  
**2015-17 BIENNIAL BUDGET**



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 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 State Board for Community and Technical Colleges, colleges, and advocates will not support this proposal because it reduces critical resources needed to support some of the TANF/WorkFirst program's neediest families, many of whom experience significant barriers to attaining self-sufficiency.



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