

SENATE BILL REPORT

SHB 2230

As Passed Senate, February 29, 2024

Title: An act relating to promoting economic inclusion by creating the economic security for all grant program.

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).

Brief History: Passed House: 2/13/24, 93-4.

Committee Activity: Human Services: 2/19/24, 2/20/24 [DP, w/oRec].

Floor Activity: Passed Senate: 2/29/24, 47-1.

Brief Summary of Bill

- Codifies and makes permanent the Economic Security For All (EcSA) grant program, administered by the Employment Security Department (ESD) in consultation with other agencies and stakeholders.
- Requires ESD to identify federal reforms that would benefit persons served by EcSA grants, and authorizes ESD to apply for associated federal waivers and propose federal law changes.
- Requires the Department of Social and Health Services to develop measures of yearly progress toward poverty reduction, reducing income inequality, and achieving an equitable and inclusive economy, and apply those measures as needed.

SENATE COMMITTEE ON HUMAN SERVICES

Majority Report: Do pass.

Signed by Senators Wilson, C., Chair; Kauffman, Vice Chair; Boehnke, Ranking

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.

Member; Frame, Nguyen and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Wilson, J..

Staff: Alison Mendiola (786-7488)

Background: Economic Security for All Grants. In 2019 the Governor's office awarded \$5.9 million in federal funds from Workforce Innovation and Opportunity Act to implement and test four locally developed pilot models to comprehensively address poverty in target communities. Those target communities were Spokane, the South Kelso and Highlands neighborhoods in Cowlitz County, the Salishan/Eastside Tacoma communities in Pierce County, and the city of Connell in Franklin County. In 2022 the Legislature appropriated funding in the state operating budget to continue this program. The Economic Security for All (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 EcSA 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.

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 progress made towards self-sufficiency. 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.

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 boards 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 income working families need to meet a minimum yet adequate level, taking into account family composition, ages of children, and geographic differences in costs.

Summary of Bill: The Economic Security for All (EcSA) grant program is created in the Employment Security Department (ESD). The 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.

Subject to the availability of amounts appropriated for this specific purpose, ESD in consultation with the Department of Social and Health Services (DSHS), the Department of Commerce (Commerce), the Health Care Authority (HCA), the Department of Children, Youth, and Families (DCYF), the Workforce Training and Education Coordinating Board (WTECB), the steering committee, and other stakeholders as determined by ESD, shall make and oversee the implementation of EcSA grants. Grants must be made available to local communities 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.

EcSA grants are to be made available in communities throughout all regions of the state, including rural counties and urban communities, distributed utilizing a funding allocation model.

Recipients of the 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 Washington's economic success;

- provide input to inform the work described in section 5 of this act, by identifying examples of federal regulations that prevent better local coordination and identifying other needs for additional state or federal funding for continuous improvement of the poverty reduction system in future years;
- utilize the existing local workforce development councils to develop economic security for all grant partnerships that must include people experiencing poverty, people of color, homelessness programs, and representatives of the health care authority, community service offices, accountable communities of health, and associate development organizations, and may include other members;
- coordinate leadership among the local workforce development council, associate development council, and other organizations, and utilize the local workforce development council as the fiscal agent;
- 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, in alignment with local care coordination efforts, and when ready, to develop individualized career plans that will lead to a self-sufficiency wage, which must be the level established by the University of Washington self-sufficiency standard;
- provide streamlined access to local partners who can pay for education or training elements of a person experiencing poverty or person with financial need's individualized career plan using federal Pell grants, the Washington college grant, or other resources;
- provide streamlined access to local partners who can make monthly payments to people experiencing poverty and people who demonstrate financial need while in training, using existing resources such as incentive payments, work study payments, work experience payments, needs-related payments, or other financial aid or workforce development resources, as identified locally and in consultation with technical assistance provided by ESD. Such payments must work to maximize the total benefits available to the individual;
- through the local workforce development councils, develop an EcSA grant coordination team that works to facilitate easier access to all state and local government services. The team may utilize and build upon, rather than duplicate, existing coordinators and navigators that are already in place in the community. The team must provide convenient one-stop access to benefits available to people experiencing poverty and people who demonstrate financial need. At a minimum, the team must encourage people served by the economic security for all grants to apply for and, if eligible, receive supplemental nutritional assistance program benefits, temporary assistance for needy families benefits, Medicaid benefits, workforce innovation and opportunity act supportive services, or other financial and health benefits, as appropriate for each person;
- provide equitable access to state and local government services for people with disabilities, which may include equipment and technology purchases;
- identify where federal barriers hinder efforts to coordinate benefits for customers and

elevate those issues to ESD;

- provide options for career development, English language learning, and other services for both parents in two-parent families, including child care if desired by the family; and
- when available, use the local and state teams already in place for similar efforts, expanding the partners on those teams as needed to meet the requirements of this section.

ESD, in consultation with DSHS, Commerce, DCYF, HCA, WTECB, the steering committee, and other stakeholders as identified by ESD:

- shall 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; and
- may apply for federal waivers and propose federal law changes to make the authorizing environment better support coordinated service delivery across programs.

DSHS, in consultation with ESD, Commerce, DCYF, HCA, WTECB, the steering committee, LEWPRO, and other stakeholders as determined by DSHS, are to further develop measures and indicators of yearly progress toward poverty reduction, reducing income inequality, and achieving an equitable and inclusive economy, using the University of Washington self-sufficiency standard as a primary measure, as well as measures already underway in the DSHS technology 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 are to be reimbursed for travel expenses as well as child care and other expenses as needed for each day a member attends meetings of the EcSA grants, for up to 12 meetings per calendar year, as provided for in statute.

By December 1, 2024, and annually thereafter, ESD is to report to the Governor, the Legislature, the WTECB, and the LEWPRO Task Force on the EcSA grant program. The annual 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 include an analysis of customer feedback and actions taken to respond, based upon a standardized customer feedback mechanism. The report shall be publicized and easily accessible to the public.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: EcSA helps job seekers experiencing poverty and employers looking to employ them. This program allows local flexibility and funds existing gaps. Each participant is coached to set their own self-sufficiency goal. 85 percent of participants started with an annual income of \$9,800 and now their median annual wage is over \$44,000 per year. This program helps people in every corner of the state, helping those trying to help themselves. With the diminishing workforce it's imperative to support these efforts.

Persons Testifying: PRO: Amber Carter, Washington Workforce Association; Tracy Doriot, Doriot Construction; Caitlyn Jekel, Employment Security Department.

Persons Signed In To Testify But Not Testifying: No one.