

Washington State WorkSource Information Notice (WIN)

WIN Number: WIN 0140

WIN Title: Community Reinvestment Fund

Date: February 9, 2024

Expiration: N/A

Purpose:

To communicate guidance and instructions for the EcSA Career Accelerator Incentives Fund and EcSA Business Support and Subsidized Training Fund established under the state Community Reinvestment Fund.

Action Required:

Local Workforce Development Boards (LWDBs) and their contractors must distribute this guidance broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

Background:

In 2022, the Washington State Legislature established the \$200 million Community Reinvestment Account in the State Treasury. The funds are designed to address racial, economic, and social disparities created by the historic design and enforcement of state and federal criminal laws and penalties for drug possession (otherwise known as “The War on Drugs”). As part of this initiative, the state Department of Commerce allocated \$25 million to a partnership with the Economic Security for All (EcSA) program to reduce poverty with a focus on equity.

- \$10 million of this fund is dedicated to the *EcSA Career Accelerator Incentives Fund (hereafter EcSA Career Accelerator)* to provide financial support payments of \$1,000 per month in incentives to individuals receiving career development assistance from the EcSA program to aid them in achieving suitable employment that provides a self-sufficient wage.
- \$15 million of the fund is dedicated to *EcSA Business Support and Subsidized Training* to partner with employers to provide training support and other assistance to help businesses hire and retain people.

Both programs are dedicated to increasing equity and redressing the impacts of the federal and state War on Drugs by placing a focus on assisting Black, Indigenous, and Latino Washingtonians. This document has been prepared to provide guidance for the planning and implementation of these funds.

Content

EcSA Career Accelerator Incentives Fund

Eligibility

In order to receive monthly incentive payments through the EcSA Career Accelerator, participants must be eligible for and enrolled in the State EcSA program prior to receipt of any payment:

- Participants may receive incentives from the EcSA Career Accelerator when State EcSA-enrolled, whether they are above or below 200% of the Federal Poverty Line.
- The EcSA Career Accelerator's focus supports Black, Indigenous, and Latino communities and areas should implement outreach strategies to reach these populations. However, anyone who is eligible may be enrolled in State EcSA and receive incentives from the EcSA Career Accelerator.

Areas should be aware that the number of customers served from these target populations is being tracked through regular reports to the Washington State Department of Commerce and the Governor's Office of Equity, which expect to see significant growth in the number of people served from these target populations. Because of this, effective recruiting strategies and proper data entry concerning customer demographics (**including participant completion of a WorkSourceWA.com account**) are especially vital for this program.

Incentive Payments

Incentives must meet the following requirements:

- Incentive payments may only be provided to individuals who are enrolled in the State EcSA program.
 - Payments must be tracked in ETO using the Community Reinvestment Participant Support Payment touchpoint.
 - Individuals must be making satisfactory progress in carrying out the career plan developed with their case manager at the time of enrollment, as determined and recorded by the case manager in case notes. LWDBs may develop and promulgate local standards or guidelines regarding this requirement.
- Incentive payments provided by the EcSA Career Accelerator must be in the amount of \$1,000 per month.
- There is no time limit on how many months a customer may receive incentives; however, EcSA Career Accelerator Incentives Funds expire June 30, 2025.
- Incentives provided by the Career Accelerator Incentives Fund do not count toward the \$5,000 cap for participants enrolled in EcSA who are over 200% of the FPL.
- Upon receiving an initial EcSA Career Accelerator Incentive, participants must continue to receive them monthly while meeting eligibility requirements for as long as they are enrolled in the program, making suitable progress toward their career plan as documented by their Case Manager each month, and so long as funding is available for the EcSA Career Accelerator Incentives.
- Case managers must take steps while working with participants to assess other benefits received and determine what impact, if any, receipt of EcSA Career Accelerator incentives will have on those benefits. After identifying potential issues, the customer

and case manager should engage in discussion to determine how to address any conflicts.

- Incentives received under the EcSA Career Accelerator program do not have any impact on eligibility for any other incentives, EcSA or otherwise. Participants may still receive incentive payments from State EcSA if they are eligible for them as part of their career plan and the LWDB provides them in accordance with the rules and regulations of the State EcSA program.

Impact of Payments

Provision of incentive payments under this program may cause additional requirements on sub-grantees or LWDBs concerning the provision of tax forms. Because of this, it is recommended that LWDBs and sub-grantees understand their responsibilities and the implications of such services for the purposes of participant tax reporting and the receipt of other benefits from the system.

EcSA Business Support and Subsidized Training

Communities of Emphasis

The funds provided by EcSA Business Support and Subsidized Training are to support Black, Indigenous, or Latino-owned businesses.

Navigator Requirement

Each LWDB is required to use a portion of the funding provided by the EcSA Business Support and Subsidized Training program to pay for at least one new and dedicated FTE Business Navigator, in addition to those already on staff, who will carry out the implementation of the program and assist the businesses served by the grant.

EcSA Business Support and Subsidized Training Activities

The following activities are allowed to be provided using EcSA Business Support and Subsidized Training funds:

- Connections and outreach to businesses
- Work-based training for employer partners in the program, including:
 - On-The-Job Training
 - Work Experience
 - Incumbent Worker Training
 - Customized Training

The following activities can be provided using EcSA Business Services and Subsidized Training funds once a plan to do so has been approved by the Grants Management Office (GMO):

- Assist with the purchase of equipment for employer partners related to training for workers or potential new hires.
- Build artistic and music expression and/or artistic and cultural tools into strategies to

foster interest in high wage careers and/or to inform youth about careers in legal services, violence prevention, consulting, and other careers.

- Utilize restorative justice and healing-centered approaches to case management and systems navigation.
- Utilize community-based solutions.
- Remove barriers and siloes that stymie progress, including but not limited to identifying federal barriers and seeking federal solutions.
- Create early workforce development pipelines that show youth how jobs can be enjoyable and benefit the community.
- Sponsor cultural events that serve the dual purposes of offering employment opportunities to youth while providing outreach activities for the community, such as concerts.
- Work with ESD to assist with planning for additional funding, potentially expanding funding, and continuing this work into the next state biennium.
- Sponsor grants or loans for entrepreneurs or small businesses in the community.

Activities undertaken as part of Business Support and Subsidized Training will be tracked using reports provided by LWDBs on a quarterly basis. The format of these reports will be provided by GMO.

Participant Enrollment

- Individuals who receive training as a result of one of the activities listed above must be entered into ETO with all demographic information fully filled out. Once entered, they must be enrolled into the Community Reinvestment Fund program of enrollment, and the training service they received must be selected and recorded in ETO.
- The only services that may be provided to participants in training paid for by the Community Reinvestment Fund are as follows:
 - Occupational Skills Training
 - On-the-Job Training
 - Work Experience/Internship
 - Incumbent Worker Training
 - Customized Training
- Individuals receiving one of the above services are not to be enrolled into Community Reinvestment Fund until they are ready to begin the service in question.
- Individuals receiving the above training may be co-enrolled into other programs if needed and eligible. However, they are **not required** to receive co-enrollment in order to take part in EcSA Business Support and Subsidized Training programs.
- Case management (including support services) cannot be provided to jobseekers as part of the EcSA Business Support and Subsidized Training program. Individuals who require case management must also be co-enrolled into a program for which they meet eligibility requirements and receive case management provided by that program.
- Training funds provided to individuals receiving training from the Business Support and Subsidized Training program does not count toward the \$5K cap for individuals over 200% of the FPL enrolled in State EcSA.

Reporting Requirements

LWDBs are required to submit quarterly narrative and quantitative reports to GMO concerning

contract performance and activities over the previous quarter. These reports must follow a format to be provided to areas by GMO that is designed to capture the required performance aspects of the program outlined in LWDB contracts not able to be adequately captured via other means. The quarterly reports are due on January 31, April 30, July 31 and October 31, unless any of those dates fall on a weekend, in which case they are due the following Monday.

Monitoring:

The Community Reinvestment Fund programs will be monitored by the ESD Monitoring Unit, at a time and in a manner to be determined in consultation with GMO, the ESD Monitoring Unit, and the specific LWDB to be monitored.

MOU and IFA Requirements:

Per WorkSource System Policy 1013, Revision 4, One-Stop Memorandum of Understanding (MOU) and WorkSource System Policy 1024, Revision 2, Infrastructure Funding Agreements (IFA), Community Reinvestment Fund programs, if providing direct services through the one stop center(s) (AJCs), must sign the MOU and pay their proportionate share of IFA costs.

References:

- [WIN 0129 Revision 3](#)

Website:

[Workforce Professionals Center](#)

Direct Procedural Inquiries To:

Grants Management Office
Employment System Policy and Integrity Division
Employment Security Department
P.O. Box 9046
Olympia, WA 98507-9046
WorkforceInitiatives@esd.wa.gov

Direct Policy Inquiries To:

Employment System Administration and Policy
Employment System Policy and Integrity Division
Employment Security Department
P.O. Box 9046
Olympia, WA 98507-9046
SystemPolicy@esd.wa.gov

Attachments:

[Attachment A](#): Community Reinvestment Fund FAQ

Attachment A

Community Reinvestment Funds FAQ

1. Who are the intended communities to serve with the CRF funds?
Answer: Black, Indigenous, and Latino.

2. Do LWDB CRF subcontractors also need to be EcSA subcontractors?
Answer: If a local area needs to use a different contractor while maintaining a single coordinated EcSA system, they may do so. However, the EcSA system should function as a single unified system locally, to break down silos and separation across funding streams. Local program models must uphold this principle.

3. How do areas ensure that demographic information is fully completed?
Answer: The case manager should ensure that clients have accounts in WorkSourceWA.com with fully completed and current demographic information at the time of enrollment. For further directions on this, see WIN 0129 Attachment B.

4. What will the monitoring process look like for the CRF program?
Answer: Similar to current State EcSA monitoring.

Career Accelerator Incentives

5. What percentage of incentives are designated for target communities?
Answer: There is no target. However, ESD will track and report this to the Department of Commerce and the Governor's Office of Equity. Demonstrating a reasonable focus and strong and growing participation by these communities will help show we are using the funds as intended. If we fail to do so, we may receive hard targets in the future.

6. Should incentives be offered to everyone in EcSA?
Answer: Yes, everyone enrolled in State EcSA should be offered a monthly \$1,000 incentive if they are making satisfactory progress toward their career plan each month and as funding allows. Local areas and case managers determine/define satisfactory progress towards a career goal. Participants are not required to accept the incentives.

7. How is satisfactory progress defined for the receipt of incentives?
Answer: Local areas determine satisfactory progress.

8. Will incentives count as income against SNAP and other benefits?
Answer: Incentives will count as income for SNAP. For other benefits, local areas are encouraged to use the Atlanta Federal Reserve's tool for predicting such impacts, which Seattle-King County LWDB currently uses.

<https://www.atlantafed.org/economic-mobility-and-resilience/advancing-careers-for-low-income-families/cliff-tool>

Customers should consider how much SNAP they will lose versus how much incentive they will gain. For example, a customer might decide that getting a \$1000 incentive is still worth it, even if they lose \$250 in SNAP benefits. It is vital for case managers to work with participants to determine potential issues and plan accordingly.

9. Do incentive payments count as income for the self-sufficiency calculator?

Answer: No

10. How long can participants receive incentives?

Answer: All participants should receive monthly incentives for the entire period that they are enrolled in State EcSA and successfully working towards their career goals, as funding allows. There is no time limit.

11. What is the difference between EcSA Career Accelerator Incentives and State EcSA incentives?

Answer: EcSA Career Accelerator Incentives are monthly payments of \$1,000 provided to participants who are making satisfactory progress each month. They are paid using Community Reinvestment Funds. Other incentives would be related to the regulations of the State EcSA program and would be paid using State EcSA funds.

12. Can LWDBs pay incentives as one single payment at the end of the program completion to avoid loss of federal benefits?

Answer: As a customer option, yes, but this should be carefully considered with each client.

As a required approach for all customers in the local area, no. LWDBs may not make this their **only** approach to incentives. If customers choose to receive the payments each month, they should receive them, as long as they are continuing to work on their career plan.

13. Can LWDB subrecipients offer incentives as well to participants?

Answer: Yes, subcontractors can implement the entire program including making incentive payments. The incentive payments must follow the rules as laid out in the LWDB's contract from ESD.

Incentive payments must be paid from the incentive payments funding, not the separate business services funding and anyone receiving incentives must be enrolled in State EcSA.

14. Can underage youth receive the \$1000/month incentives?

Answer: Yes. However, parent or guardian consent is required unless the minor is legally emancipated, and the parent or guardian must have the opportunity to consider the impacts on other benefits the household may be receiving, as

discussed above. Parents or guardians may be invited to take part in EcSA along with their child, as well, if eligible.

Business Support and Subsidized Training

15. Are the EcSA Business Support and Subsidized Training funds exclusively for Black, Indigenous, and Latino-owned businesses?

Answer: Yes. The funds provided by the EcSA Business Support and Subsidized Training are for supporting Black, Indigenous, and Latino owned or operated businesses only. The Equity-Focused Business Navigator is authorized to attest to each business being Black, Indigenous, or Latino-owned or operated and must keep records indicating this and report the number of each to ESD in quarterly reports.

16. Is it a requirement to hire a new FTE Equity-Focused Business Navigator?

Answer: Yes. The Business Navigator position will be funded out of the Business Services portion of the budget and not the LWDB Admin funds.

17. What tracking is required for individuals receiving training from the Business Support and Subsidized Training program?

Answer: Individuals receiving training must have a Community Reinvestment Fund program of enrollment entered into ETO with the training service linked to that enrollment. Any updates on their progress should be included in the training touchpoint.

18. Who can receive subsidized training under the business services side of the Community Reinvestment Fund?

Answer: Workers at Black, Latino, or Indigenous owned or operated businesses, as well as job seekers preparing for a specific job that is available at a business that is Black, Latino, or Indigenous owned or operated, can receive subsidized training under the business services side of the Community Reinvestment Fund. These individuals must have a complete demographic profile in ETO and be enrolled in the Community Reinvestment Fund program. They can be EcSA participants or non-EcSA participants. If case management support is needed for the individual in subsidized training, they will need to be attached to EcSA and/or another program such as WIOA. It is encouraged to co-enroll in EcSA when appropriate to provide the most robust support to the participant.

19. Do WIOA requirements apply for services provided by the EcSA Business Support and Subsidized Training?

Answer: No

20. What is the process for getting approval to provide services not explicitly allowed under the EcSA Business Support and Subsidized Training Program?

Answer: An area should contact Grants Management Office for a discussion, at which point the specific data required will be determined. A written proposal will be expected as part of the approval process.