

Incentives/ Food Assistance/ Medical and Mental Health Care and Allowable Uses of State EcSA Funding Policy

EFFECTIVE DATE: March 15, 2024

POLICY #: P215.V4

I. Purpose:

This directive sets forth the policies and procedures governing allowable uses of State Economic Security for All (EcSA) funding. These include the monthly incentive payments aimed at participants who are currently part of the State EcSA program, actively involved, and making satisfactory progress toward their career goal of becoming economically self-sufficient. Additional guidance regarding the State EcSA programs can be found in [WIN0129](#).

II. Background:

Economic Security for All (EcSA) is a poverty reduction model that coordinates existing programs to increase their collective ability to support low-income Washingtonians in their pursuit of equity, dignity, and sustained self-sufficiency. A combination of intensive program navigation, local innovation, and flexible support fills gaps and meets needs within existing programs and regulations. At the local level, EcSA is run by partnerships of community service providers, includes the voices of those who have experienced poverty, and is convened and coordinated by Local Workforce Development Boards (LWDBs). EcSA takes an innovative approach to equitably reduce poverty, focusing on historically marginalized populations and people with multiple obstacles to self-sufficiency.

EcSA receives funding from two sources: the Governor's Workforce Innovation & Opportunity Act (WIOA) Statewide Activities funds and a direct allocation from the Governor's office via legislative approval. These funding sources are categorized as Federal EcSA and State EcSA, respectively. Federal EcSA follows WIOA regulations, while State EcSA grants Local Workforce Development Boards (LWDBs) greater flexibility for program innovation and fund utilization.

In addition, the Washington State Legislature has established the Community Reinvestment Account with the State Treasury to address racial, economic, and social disparities created by the historic design and enforcement of state and federal laws and penalties for drug possession (otherwise known as "The War on Drugs"). As part of this initiative, the state Department of Commerce allocated some funds to a partnership with the EcSA program. Some of these funds are dedicated to the EcSA Career Accelerator Incentives Fund to provide financial support payments of \$1,000 per month in incentives to individuals receiving career development assistance from the EcSA program. Another portion 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 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. Additional Guidance on the Community Reinvestment Fund can be found in [WIN 0140](#). This policy outlines the guidelines for fund utilization under the State EcSA.

III. Policy & Procedure:

Allowable Uses of the State EcSA Funds:

- All services listed in the State EcSA Services Catalog and commonly provided by WIOA Title 1 are automatically approved to be provided under State EcSA
- The following services and activities not capable of being provided by WIOA Title 1 are allowable uses of State EcSA funds:
 - Stipends/Participant Cash Support Payments
 - Food Assistance
 - Housing and Rental assistance
 - Medical and Mental Health Care including technology (eyeglass, hearing aids, dental care etc.)
 - Marketing and Outreach
- For the purpose of State EcSA, a participant support payment is defined as the provision of cash or gift cards to client in order to incentivize participation or assist in participation in programs established in the client's individual employment plan. Items such as rental assistance or payments made on behalf of the client are supportive services and must be recorded and reported as such.
- In addition to the approved services and activities above, sub-contractor partners may request additional allowable uses for the State EcSA funds by submitting an [Exception Request Form](#).

Guidance on Monthly Incentives:

Step 1 – Determining Eligibility:

- i. Anyone enrolled in the State EcSA program is eligible to participate in this pilot program.
- ii. Subcontractors might prioritize certain demographic groups based on their determination of need and benefits from the monthly incentive payments. In such cases, subcontractors must provide the list of priority groups in order of priority to the WDC project manager.
- iii. Additionally, the WDC might also identify other community partner agencies that will refer their clients to the subcontractor. In these instances, the partner agency, in coordination with the WDC, will identify priority groups, assess client eligibility for the State EcSA program, and subsequently make the referral.

Step 2 – Selecting the Cohort:

- i. Each subcontractor has the authority to enroll participants of the State EcSA program into this pilot program based on the eligibility criteria discussed in Step 1.
- ii. Case Managers are responsible for informing all eligible State EcSA program participants about the monthly incentive payments program (pilot).
- iii. Case Managers must generate the [Federal Reserve Bank of Atlanta's CLIFF Snapshot](#) report for all interested program participants and explain how receiving additional monthly incentives may impact their eligibility for public assistance. This ensures participants can make informed decisions about enrolling in the pilot.
- iv. Due to limited funds available for the pilot, subcontractors must establish a procedure for randomly selecting the number of eligible program participants they can support and provide incentive payments to. This policy must be submitted to the WDC project manager. In exceptional circumstances, subcontractors may also prioritize clients based on their individual circumstances and needs, with consultation from the WDC Project Manager
- v. Selected participants must complete and sign the State EcSA Incentive Acknowledgement Form (Attachment A) outlining the details of the pilot program.

Step 3 – Determining Monthly Incentive Amount:

- i. The client and the case manager can work together, referencing the CLIFF Snapshot report, to select a monthly incentive amount that minimizes the impact on the client's public assistance benefits. The client has the option to choose between monthly incentive amounts of either \$500 or \$1,000.
- ii. Clients who receive monthly incentives through the Department of Commerce Community Reinvestment Funds are limited to a fixed amount of \$1,000 per month.

Step 4 – Monitoring Progress

- i. Minimum expectations to qualify for the monthly incentive payments include but are not limited to:
 - a. Meeting with the case manager at least once a month to discuss progress and challenges related to activities outlined in their customized career plan/individual Employment Plan, including training, education, job search, financial literacy classes, and more.
 - b. Completion of additional monthly State EcSA activities outlined in their customized career plan/individual Employment Plan.

- ii. Case Managers are required to complete and submit the monthly progress report (Attachment B) to their managers or complete it online using Cognito Forms.
- iii. Monthly progress reports must be recorded in the ETO (or replacement database) under State EcSA Support activity, selecting the State EcSA Financial Support Payments touchpoint. Case notes should specify whether a participant received the monthly incentive, and if not, the reasons for not receiving it in a given month.

Step 5 – Payment Process:

- i. Prior to awarding the monthly incentive payment, case managers must verify that the participant:
 - ✓ Is enrolled in the State EcSA program.
 - ✓ Has completed the UW Self-Sufficiency Calculator report.
 - ✓ Has developed an Individual Employment Plan.
 - ✓ Has signed the acknowledgement form (Attachment A) detailing the monthly incentive program.
 - ✓ Has engaged with the case manager and completed the monthly progress report.
- ii. Monthly Incentive Payments may only be awarded to State-Funded EcSA participants for progress in their career plans. They may not be awarded to participants enrolled in WIOA programs or activities, including Federal EcSA, unless they are co-enrolled in State-Funded EcSA and meet the minimum expectations criteria discussed above.
- iii. **Method of Payment:** Monthly incentive payments may be disbursed through electronic funds transfer via financial institutions or other suitable methods. Additionally, subcontractors may have the option to provide third-party payments on behalf of the client, such as covering monthly expenses like rent, phone bills, and utility bills. This approach may help mitigate the potential impacts of the benefits cliff for the client.
- iv. Stipend payments that equal \$600 or more per calendar year are considered taxable income and the subrecipient must provide a 1099 tax form to the participant by January 31 for the prior calendar year.

ATTACHMENT A:

State EcSA Monthly Incentive Payment Acknowledgement Form

To qualify and participate in the State EcSA Monthly Incentive Payments Pilot Program, individuals must meet the following requirements:

1. Enroll in the State EcSA program.
2. Depending on the subcontractor, meet additional demographic criteria to be considered priority groups or receive a referral from a partner agency.
3. Attend monthly meetings with the case manager to discuss progress and challenges related to activities outlined in their customized career plan/individual Employment Plan (such as training, education, job search, etc.).
4. Attending all scheduled financial literacy classes.
5. Complete additional monthly State EcSA activities outlined in their customized career plan/individual Employment Plan.

Payments:

Participants who meet the criteria outlined above are eligible to receive monthly incentive payments for the duration specified by the subcontractor in collaboration with the Workforce Development Council (WDC), provided that the participant remains enrolled in the State EcSA program.

Filing Taxes:

It has been explained to me that this incentive is considered as taxable non-wage related income. And as an earner I should calculate the amount of taxes that should be set aside.

I, _____, *have read the requirements and agree to abide by them.*
(Print Name)

I understand this form and the contents have been explained to me in my primary language.	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

Participant Signature: _____ Date: _____

Case Manager Signature: _____ Date: _____

ATTACHMENT B:

Monthly Progress Report for Participants Receiving Monthly Incentive Payments

Participant Name:		ETO #
Program of Enrollment: State Funded EcSA	Co-enrollments (if any): Example -WIOA Adult	
Reporting Month:	Meeting Type: In-Person/Online	

1. Is the participant on track to reach their career goals? Briefly describe the progress made by the participants on the following activities (if applicable).

Financial Literacy Classes	Workshop Participation? <input type="checkbox"/> Present <input type="checkbox"/> Absent	Notes:
Job Search	Satisfactorily Met? <input type="checkbox"/> Yes <input type="checkbox"/> No	Notes:
Trainings/Education	Satisfactorily Met? <input type="checkbox"/> Yes <input type="checkbox"/> No	Notes:
Work Based Learning	Satisfactorily Met? <input type="checkbox"/> Yes <input type="checkbox"/> No	Notes:
Other Activities	Notes:	

2. What was the participant's biggest success story and/or challenge this month?

3. What does the participant need help with?

Case
Signature

Manager

Date:
