

ECONOMIC SERVICES ADMINISTRATION WorkFirst Career Services Stipend



2016 SUPPLEMENTAL BUDGET

Request	FY16	FY17	15-17
FTE	Placeholder	Placeholder	Placeholder
GF-State	Placeholder	Placeholder	Placeholder
Total	Placeholder	Placeholder	Placeholder

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding and FTEs to implement a supplemental assistance benefit for families that exit the Temporary Assistance for Needy Families (TANF) program because of employment and for working families that receive Supplemental Nutrition Assistance Program (SNAP) benefits. By funding this request, ESA is expected to improve Washington State’s federal work participation rates (WPR) while still providing basic assistance and services to needy families.

PROBLEM STATEMENT

The federal Department of Health and Human Services (HHS), Administration for Children and Families (ACF) notified Secretary Quigley on May 28, 2015 that the State TANF program did not meet required performance targets in Federal Fiscal Year (FFY) 2012 (Oct 2011-Sep 2012). The state has several options in response to this notification, including entering into a Corrective Compliance Plan (CCP) that will result in the state meeting the WPR.

Under Federal TANF rules, adults in a family receiving a TANF grant are required to participate in activities that are intended to move the family to self-sufficiency. Each state must meet two participation rate targets ('all family' and 'two-parent families') as measure of its success in engaging adults in required activities.

Washington State has not achieved the federally required TANF work participation target rates for FFY 2012. A review of work participation data shows that while sufficient numbers of TANF two-parent families are engaged in activities, not enough parents in these families are participating enough hours to meet participation requirements.

A state's failure to meet federal TANF work participation requirements results in a penalty to the state. In the first year that a state fails to meet both rates or fails just the 'all family' rate, the penalty is five percent of the federal TANF Block Grant for that year. For FFY 2012, this would be a penalty of approximately \$13.4 million. If a state fails only the two-parent target, the penalty is reduced to the ratio of the two-parent caseload compared to the all family caseload. For FFY 2012, this penalty would be an estimated \$1.5 million, for a total penalty of \$14.9 million. The penalty amount increases by 2 percent with each successive year of failure, up to a maximum of 21 percent of the federal TANF Block Grant.



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PROPOSED SOLUTION

This request proposes a separate state funded program for families that exit TANF because of employment and for employed families that are receiving SNAP benefits. This program would become an element of a designed CCP to improve the TANF work participation rates. Creating a separate state funded program for families that exit TANF because of employment and for working families that receive SNAP benefits with incomes at or below 130% of the Federal Poverty Level (FPL) would allow the state to count working families who are meeting the required number of hours in the WPR calculations. This program would provide much needed supports to families trying to achieve self-sufficiency while improving Washington State's work participation rates.

EXPECTED RESULTS

This proposal will increase the TANF All-Family and Two-Parent work participation rates to levels that will meet the federal WPR requirements and thereby avoid financial penalties.

STAKEHOLDER IMPACT

ESA believes the advocate community will support this proposal.