

WorkFirst Sustainability Plan

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For more information
about the WorkFirst
program, visit
www.workfirst.wa.gov.

A Job,
A Better Job,
**A Better
Life**

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This report is submitted to the legislative fiscal committees as an addendum to the WorkFirst spending plan required in Section 207(1)(c) of Substitute House Bill 1128 (Chapter 522, Laws of 2007). It describes in greater detail the proposed expenditures for the WorkFirst program included in Governor Gregoire's 2007-09 biennial budget.

BACKGROUND

Washington's WorkFirst program is unique because its allocated federal and state funds are administered as a lidded grant. The Governor is authorized to manage the program within the funded levels with the ability to reinvest funds in programs for low-income families and carry forward funds from one fiscal year to the next. Since 1997, federal funds have remained stagnant. In addition, about \$300 million in state funds have been removed from the program and \$38 million per year has been used on an ongoing basis for child welfare programs.

In the 2007-09 biennial budget, funding to cover a projected shortfall, legislative program enhancements, and the costs of collective bargaining for child care workers have increased the base of the WorkFirst box. Federal child care development funds were also transferred from the WorkFirst box and appropriated directly to the Department of Early Learning.

Since the implementation of WorkFirst in 1997, there has been a significant reduction in caseload, from nearly 90,000 to less than 49,000 (a 46 percent reduction). This reduction has freed up funds to improve services for WorkFirst parents and low-income families. The majority of funds were invested in child care subsidies for low-income families, and new programs to help parents find and maintain employment. WorkFirst funds were also used to expand educational services to low-income families.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) REAUTHORIZATION

In February 2006, President Bush signed the Deficit Reduction Act of 2005 (DRA), which reauthorized the TANF block grant through 2010, and directed a number of changes to the TANF program. The DRA:

- ***Redefined "work activities,"*** which reduced states' flexibility to determine what activities count towards the federal work participation rate.
- ***Recalculated the participation rate and credits*** by reducing the base year for calculation. This changed Washington's caseload reduction from 39.3 percent in 2006 to 4.7 percent for 2007, requiring a 45.3 percent participation rate.
- ***Required extensive verification of activities,*** effective October 1, 2007. Washington State must now verify the number of hours parents spend in approved activities, subject to federal audit. An additional federal penalty will be levied for failing to establish or comply with these verification procedures (1 percent to 5 percent of the state's TANF block grant). This penalty was created by DRA and is separate from the penalty states face for not meeting their participation rates.

POTENTIAL FOR SIGNIFICANT PENALTIES

The program changes brought about by the Deficit Reduction Act have significantly affected Washington's ability to meet the federal participation rate and help families gain self-sufficiency. These changes hamper Washington State's ability to meet federal participation rates and manage an effective and efficient welfare-to-work program. The federal changes are not in the best interests of many families who participate.

We already know that the participation rate for Federal Fiscal Year (FFY) 2007 was not met. We are also concerned that, with the recent implementation of work verification, FFY 2008 also will be difficult to meet. States that fail to meet the federal work participation requirements (50 percent for all families and 90 percent for two-parent families) are subject to a penalty of up to 5 percent of their state-adjusted TANF block grant. Therefore, we have estimated a penalty payment in the second year of the 2007-09 WorkFirst Spending Plan.

The annual financial penalties for failing to meet the participation rate are progressive and would increase from an estimated \$13.4 million for 2007 (payable in 2009) to about \$56.3 million in 2015. We are working on the General Fund-State dollar impact associated with these penalties.

GOVERNOR'S DIRECTIVE FOR CHANGE

On November 10, 2005, Governor Gregoire issued a directive to the WorkFirst SubCabinet to strengthen the WorkFirst program. In her directive, the Governor reinforced that the core mission of WorkFirst is to help parents find work that makes them self-sufficient. Her directive for reform was based on a strengthened contract with parents in the program – they must participate or they will no longer receive a grant. In addition, Governor Gregoire emphasized that the state must do a better job in assisting parents in meeting their goals. The directive requires that state WorkFirst agencies make policy and practice improvements to help families move into economic self-sufficiency more quickly, improve the financial sustainability of the program, and boost program performance and accountability.

In an effort to minimize the DRA's impact on families with multiple barriers, Washington State continues to make changes to combine life skills training, community service, and/or work experience with job readiness activities, including family violence counseling. Our goal for these activities is to help parents remain engaged in the types of federally countable activities that will also help them progress and achieve self-sufficiency. We continue to emphasize that WorkFirst is a temporary program with a primary goal of work and activities that help parents become ready for work.

STATUS OF FISCAL YEAR 2007 ENHANCEMENTS

The 2007-09 spending plan includes several reductions and efficiencies that were implemented in Fiscal Year 2005 as a result of the WorkFirst re-examination. The major reduction was an estimated caseload reduction of \$12.1 million, which was linked to increased engagement of clients by staff, clearer mandates on participation, and implementation of the non-compliance sanction. The estimated caseload impact is an average monthly reduction of about 2,400 cases per year.

New or Modified Employment Services

The WorkFirst spending plan includes several actions that were started last biennium as well as new initiatives to help meet the participation and verification requirements. These services include those that:

1. *Expand the Community Jobs (CJ) program.*

Enrollments for CJ met capacity in State Fiscal Year (SFY) 2007. Additional funding has been provided in 2008 and 2009 to serve up to 3,500 parents each year.

2. *Contract for new community-based services through CTED.*

On March 15, 2007, CTED began to offer the following new services in addition to Community Jobs:

- a. The Community Service (CS) Program is a short-term program to provide employment skills to TANF parents while they are engaged in other activities or to provide unpaid work experience while they are waiting for an activity to start.
- b. The Community Works (CW) Program is designed to improve the employability of parents who are able to participate in an unsubsidized work activity with the additional support of a WorkFirst Program Specialist/Social Worker (WFPS/SW) for continued intensive services.
- c. The Community Work Experience (CWEX) program establishes a worksite for 20 hours per week for up to six months to help parents obtain the general skills, training, knowledge, and work habits necessary to obtain employment. Parents who participate in this program receive unpaid work experience.

As of November 2007, 2,103 parents have made contact with the programs and 1,240 have begun employment at a worksite. Flexibility has been given to LEP contractors to shift funds between Community Jobs and the three community-based services programs as long as expenditures are within budgeted levels.

Education & Training Expansion

In 2007, several minor policy adjustments were made to better align education and training activities with the federal definitions. The WorkFirst program will continue to blend English-as-a-Second-Language training into educational activities where appropriate and provide it as a stand-alone, uncountable activity when needed. Policy changes included:

1. *Vocational Education*

- a. Gave colleges the local flexibility to combine the 16-hour per week minimum work study requirement with vocational education for parents to meet participation requirements.
- b. Allowed parents to receive a total of 12 months of vocational education. Previously, parents participating in short-term training exhausted their only educational opportunity in eight weeks or less of education and training.

2. *Job Skills Training*

- a. Revised the state definition of Job Skills Training activities to include parents who are working part time and taking vocational education courses on a part-time basis. Parents' participation in this activity will count toward federal participation goals.
- b. Included prerequisites and developmental education courses under the non-core activity of Job Skills Training. Parents will be able to complete them, while working or in another activity, prior to starting a vocational education program which is restricted to a lifetime 12-month limit.

3. *Basic Education*

- a. Combined part-time adult basic education with employment-related activities. Parents who were approved for full-time adult basic education for up to 12 months prior to March 1, 2007, will still be able to continue in this activity.

4. *Degree Completion*

Allowed parents within 12 months of completing a certificate or degree to pursue this activity with no work requirement with the following exceptions:

- a. Post-graduate programs will not be authorized, and this activity will not be allowed for parents who have been on TANF for more than 60 months.
- b. Parents who were approved for degree completion prior to June 1, 2007, will be able to continue this activity for up to 12 months.

Degree completion is not countable under federal rules.

ENHANCEMENTS FOR 2007-09 BIENNIUM

Post TANF Assistance

The 2007-09 budget included funding to provide up to six months of cash benefits for parents who leave TANF due to employment. The WorkFirst Career Services Program was implemented on July 1, 2007. Parents who enroll receive \$50 per month for up to six months after they leave WorkFirst. Parents who participate in the work advancement and retention activities offered by the Employment Security Department are provided additional "bonus" payments. More than 2,300 parents enrolled between the months of July and November. These families meet the federal work participation requirement, and by giving them a cash benefit, Washington is able to count them in the state's participation rate calculations.

Senate Bill 6016 – Infant Exemptions

This bill expands the full-time exemption for parents of an infant from three months to twelve months, and removes the one-time, one child restriction. Federal rules allow states to waive participation requirements for single-parent families when the family has a child younger than 12 months of age for up to 12 months in the parent's lifetime. The state law now more closely mirrors the federal exemption, which allows the twelve-month exemption. In addition, if assessments conducted by the Department of Social and Health Services (DSHS) identify a need for mental health treatment, substance abuse treatment, domestic violence services, or parenting

education/skills training, DSHS may require individuals with a child younger than one year to participate in these activities up to 20 hours per week.

Kinship Care Placements

House Bill 1377 (Chapter 412, Laws of 2007) expanded the definition of “relative” for the purpose of court-ordered placement of a child in the custody of DSHS, and authorized placement of a child in DSHS custody with non-relatives who meet certain criteria. State funding of \$2.8 million was provided in the 2007-09 Biennium to pay for an anticipated increase in TANF child-only grants resulting from this legislation.

Pathway to Engagement Budget Proviso

On September 1, 2006, Washington State adopted a non-compliance sanction policy as part of the WorkFirst Re-examination efforts. The non-compliance sanction policy ends cash assistance for parents who refuse to participate for six months in a row.

As of December 1, 2007, 287 individuals have lost their cash grant since the implementation of non-compliance sanctions in March 2007.

The 2007-09 budget includes \$250,000 per year for DSHS to contract with community-based organizations to offer services to families in sanction, as well as to those who lost their cash grant due to non-compliance sanctions. DSHS and the Office of Financial Management (OFM) worked with advocates, union members, and community-based organizations to design services under this program, referred to as “Pathway to Engagement.” As of December 31, 2007, 24 contracts have been established statewide and 63 parents have been referred to the program.

OVERALL SPENDING PLAN FOR 2007-09 BIENNIUM

The WorkFirst budget, which is a combination of federal and state dollars, totals more than \$1.6 billion per biennium. The bulk of the revenue is from the federal government to operate the state’s Temporary Assistance for Needy Families (TANF) program, known as Washington WorkFirst. The federal block grant dollars have not changed since 1997, despite rising inflation and rising fixed costs such as staff salaries and office leases.

The chart on the next page identifies the sources of revenue and includes the additional funds which are paid as subsidy payments for child care collective bargaining. All of the costs for the Department of Early Learning (DEL) are reflected as revenue, even though the Child Care Development Fund (CCDF) Block Grant funding goes directly to DEL. Only a portion of the CCDF funding is used by DEL and the remainder is returned to DSHS to offset DSHS costs for subsidy payments and eligibility determination.

REVENUE SOURCE DOLLARS IN THOUSANDS	FY 2008	FY 2009
TANF (federal block grant, including tribal TANF)	\$404,332	\$404,332
MOE (state contribution)	\$230,950	\$232,956
CCDF (mandatory, match & discretionary)	\$108,397	\$108,397
CCDF Match (General Fund-State)	\$25,273	\$25,273
CCDF MOE*	\$38,708	\$38,708
TANF rollover available	\$50,159	\$45,679
Policy adds, including child care collective bargaining in 2007-09 budget (note: counts as TANF MOE)	\$62,219	\$80,134
Total Revenue Available	\$920,038	\$935,479

* CCDF MOE is also counted as TANF MOE.

As a result of Governor Gregoire's actions to reduce spending and maintain the goals of the program, the WorkFirst spending plan for FY 2008 and 2009 is provided below.

SPENDING PLAN ITEM DOLLARS IN THOUSANDS	FY 2007 ACTUALS	FY 2008	FY 2009
PAYMENTS TO CLIENTS			
TANF GRANTS	\$263,655	\$252,298	\$252,603
Funded by a federal block grant and required state Maintenance of Effort monies, cash assistance benefits are available for low-income families, pregnant women with no other children, and certain children younger than 18. TANF adults are enrolled in WorkFirst, which provides services that families need to work, look for work, or prepare for work. The caseload is updated for the November 2007 forecast and includes steps for infant exemption and kinship. The projected caseload reduction of \$12.1 million per year estimated as part of the Re-examination spending plan has nearly been achieved.			
DSHS DIVERSION CASH ASSISTANCE	\$11,844	\$12,282	\$12,658
Diversion Cash Assistance (DCA) provides one-time financial assistance of up to \$1,500 to eligible TANF applicants in lieu of receiving ongoing TANF aid. DCA assists TANF applicants in accepting or maintaining employment and diverts them from becoming dependent upon TANF. Clients must repay a prorated share of DCA if they become TANF recipients in less than 12 months. These estimates are based on a forecasted caseload.			
CHILD CARE SUBSIDY PAYMENTS	\$251,946	\$292,538	\$305,113
Child care subsidy payments through Working Connections Child Care (WCCC) are given to WorkFirst participants and non-TANF low-income parents who participate in employment, work activities and			

SPENDING PLAN ITEM DOLLARS IN THOUSANDS	FY 2007 ACTUALS	FY 2008	FY 2009
allowable training. Child care assistance helps low-income families attain and maintain self-sufficiency. Families are eligible up to 200 percent of FPL, which corresponds to about \$34,300/year for a family of three. The caseload has been adjusted to reflect the November 2007 forecast with an additional set-aside of \$6.9 million per year targeted for expected caseload growth as a result of participation. The per-capita rate includes collective bargaining agreement costs. The SubCabinet has directed staff to develop options for grants or short-term emergency assistance for former WCCC recipients to help with co-pays and other family emergencies for up to six months after leaving WCCC.			
ADDITIONAL REQUIREMENTS FOR EMERGENT NEEDS	\$7,006	\$7,006	\$7,006
Additional Requirements for Emergent Needs (AREN) provides a one-time cash payment of up to \$750 to meet emergent housing or utility needs for pregnant women or families who receive or apply and meet the eligibility criteria for TANF, State Family Assistance, or Refugee Cash Assistance. Funding was increased for FY 2008 and FY 2009 to reflect actual expenditures in 2007.			
ESD CAREER SERVICES	\$0	\$3,480	\$4,430
Career Services provides monthly cash payments and wage progression/retention services to eligible parents for up to six months after they leave WorkFirst.			
SANCTION CEAP	\$500	\$1,000	\$1,000
In 2006, Washington state implemented a non-compliance sanction policy, which ends cash assistance for WorkFirst parents refusing to comply with program requirements for six consecutive months. This spending plan assumes additional funding for the Consolidated Emergency Assistance Program (CEAP) to provide emergency assistance to families who have lost their cash grant due to non-compliance. Families are only eligible for this benefit their first six months after leaving TANF for sanction. After six months they can reapply for TANF without a four-week upfront participation requirement.			
TRIBAL TANF	\$38,200	\$38,200	\$38,200
Federal law allows tribes the right to operate their own TANF programs with direct funding from the federal government taken out of the state's TANF block grant. In addition, state law requires the transfer of a "fair and equitable" amount of the state maintenance-of-effort funds to the eligible tribe. The state also provides funds for start-up costs and unique needs. This spending plan assumes the tribal TANF funding will remain constant.			
CONTRACTS			
CHILD CARE CONTRACTS	\$23,456	\$24,813	\$24,587
This category covers Seasonal and Homeless Child Care subsidy programs and child care quality improvement programs. Seasonal Child Care is subsidized child care for eligible families who are seasonally employed agricultural workers. Homeless Child Care is subsidized child care for eligible homeless families involved in qualifying activities. Funded primarily through the Child Care and Development Fund, these programs improve the quality and availability of child care, provide comprehensive consumer education, and increase parental choice.			

SPENDING PLAN ITEM DOLLARS IN THOUSANDS	FY 2007 ACTUALS	FY 2008	FY 2009
DSHS LOCAL CONTRACTS AND SUPPORT SERVICES	\$9,545	\$11,469	\$11,469
<p>DSHS regions contract locally for work preparation activities (e.g., job skills), on-site family violence services in community services offices (CSOs), and other services aimed at removing barriers to employment (e.g., substance abuse treatment). DSHS support services includes providing vouchers for goods and services such as gasoline, minor car repairs, and work clothes to help clients work, find work, or deal with family emergencies.</p> <p>This section also includes funding for the Pathway to Engagement program for parents in months four through six of sanction, and for those who have lost cash assistance after six consecutive months of non-compliance.</p>			
COLLECTIVE BARGAINING – HEALTH CARE	\$0	\$0	\$4,150
<p>The 2007-09 collective bargaining agreement included funding for health care for family home child care providers.</p>			
STAFFING			
DSHS STAFFING OPERATIONS	\$88,654	\$76,030	\$77,005
<p>Economic Services employees determine eligibility for TANF, diversion, child care, and other related benefits and services, and provide case management for TANF families. TANF administrative spending is federally capped at 15 percent. Washington State’s TANF administrative spending is 8.1 percent.</p>			
DEL STAFFING - LICENSING AND OVERHEAD	n/a	\$15,052	\$15,278
<p>The 2005-07 biennial budget transferred licensing staff from the DSHS Division of Child Care and Early Learning to DEL, without moving the CCDF grant dollars. With the 2007-09 CCDF grant transfer to DEL, the spending plan now aligns allotments with the agency responsible for service delivery.</p>			
DSHS OVERHEAD	\$15,448	\$13,697	\$13,760
<p>DSHS agency-wide overhead expenses are cost allocated to all federal programs.</p>			
ESD JOB PLACEMENT SERVICES	\$18,223	\$19,939	\$19,939
<p>ESD Job Search serves the majority of WorkFirst participants. ESD is the mainstream provider, serving more than 5,000 customers per month in full-time job search activities, plus significant numbers of clients part-time. This requires ESD to provide services that meet the needs of the widest variety of customers with diverse circumstances, educational levels, work histories, skills and abilities. The increase from the 2007 budgeted level is due to cost-of-living adjustment (COLA) backfill.</p>			
CLIENT SUPPORT SERVICES			
ESD SUPPORT SERVICES	\$2,939	\$4,692	\$4,692
<p>ESD provides support services (such as transportation, clothing, and minor car repairs) to enable customers to participate, look for work, and accept and maintain employment. This reflects the amount budgeted for 2007.</p>			

SPENDING PLAN ITEM DOLLARS IN THOUSANDS	FY 2007 ACTUALS	FY 2008	FY 2009
DSHS CLIENT SERVICES AND SUPPORT	\$1,244	\$2,887	\$2,887
<p>This category includes translation and interpreter services for TANF clients. It also includes funding for community service and work experience programs for the Limited English Proficiency (LEP) population. This level assumes 265 individuals will be served in these programs per month.</p>			
SBCTC CONTRACT	\$23,644	\$27,649	\$27,649
<p>Community colleges are an integral part of the WorkFirst program. To meet local needs, colleges provide one or a combination of the programs listed below through a block grant. College staff also assist with the comprehensive evaluation to ensure parents are placed in activities that are suitable and consistent with federal participation requirements. Additional funds were added in 2007 and continued in 2008 and 2009, which increases the number of individuals participating in educational activities.</p> <ul style="list-style-type: none"> ▪ Customized Job Skills/ Integrated Basic and Technical Skills Training – an employer-driven individual or group job skills training. A smaller number of TANF adults are offered longer, higher-wage training. ▪ Work-Study – paid work experience or internships, done in conjunction with tuition assistance that allows TANF adults to meet work requirements and attend training. ▪ WorkFirst Financial Aid/Tuition Assistance – tuition, books, and/or fee assistance to WorkFirst students for working low-income parents. ▪ Other Basic Skills and/or Job Skills Training – family literacy, educational interviewing, employment skills such as those done in conjunction with job search, ABE/ESL/GED, basic computer skills, soft skills, job search competencies, and other training. 			
CTED COMMUNITY JOBS, WORK EXPERIENCE AND COMMUNITY SERVICE	\$10,028	\$22,710	\$22,710
<p>Community Jobs (CJ) provides subsidized employment and training for hard-to-serve TANF recipients to prepare them for permanent unsubsidized employment. CJ contractors provide intensive case management and reduce barriers. In 2007, additional resources were provided to expand CJ and add services, which include:</p> <ul style="list-style-type: none"> ▪ The Community Service (CS) Program, a short-term program to provide employment skills to TANF parents while they are engaged in other activities or to provide work experience while they are waiting for an activity to start. ▪ The Community Works (CW) Program, which is designed to improve the employability for parents who are able to participate in a work activity with the additional support of a WorkFirst Program Specialist/Social Worker (WFPS/SW) for continued intensive services. ▪ The Community Work Experience (CWEX) program, which establishes a worksite for 20 hours per week for up to six months to help parents obtain the general skills, training, knowledge, and work habits necessary to obtain employment. <p>The WorkFirst SubCabinet also approved further expansion of the Community Jobs program for the remainder of FY 2008 and in FY 2009 to meet the demand for these services, which are an important strategy for meeting federal participation requirements.</p>			

SPENDING PLAN ITEM DOLLARS IN THOUSANDS	FY 2007 ACTUALS	FY 2008	FY 2009
MISCELLANEOUS / OTHER			
CHILDREN'S ADMINISTRATION	\$32,105	\$39,885	\$41,603
<p>About \$38 million per year is allotted to Children's Administration for child welfare services provided on behalf of TANF-eligible families. Funds are used to help support the following child welfare staff and services.</p> <ul style="list-style-type: none"> ▪ Emergency social services staff, including Child Protective Services (CPS) intake and investigations and the social work needed to facilitate the initial emergency placement of children in out-of-home care. ▪ Short-term (less than four months) non-recurrent kinship care supports to facilitate out-of-home placement of children with family. ▪ Direct social service staff including CPS, Child Welfare Services (CWS), and Family Reconciliation Services. ▪ Child care subsidies for CPS/CWS child care and employed foster parent child care. 			
MISCELLANEOUS / OTHER			
PARTNERSHIP PROGRAM INVESTMENTS	\$0	\$5,242	\$8,729
<p>This spending plan includes the following strategies to improve participation and promote family self-sufficiency:</p> <ul style="list-style-type: none"> ▪ Increased funding in 2009 to allow eligible parents who receive Diversion Cash Assistance to enroll in Career Services. Under the federal rules we would be allowed to count these parents in the work participation rate even though they have not been on the TANF caseload. Funding has been included to support an additional 340 parents in Career Services per month and provide support services. (\$1.25 million in 2008 and \$2.5 million in 2009) ▪ Funding for regional and local area pilot programs, projects and services aimed at improving outcomes for parents, removing barriers to participation, and increasing family self-sufficiency (e.g., wraparound mental health services, families that work programs, soft skills training, and offender employment services). (\$1.33 million in 2008 and \$4 million in 2009) ▪ Funding for Supplemental Security Income (SSI) facilitators to help transition eligible TANF parents to the SSI program. Currently, there are more than 1,700 parents who are categorized as exempt, but have not met SSI determination. (\$467,000 in 2008 and \$891,000 in 2009) ▪ Purchase of web-based adult-learning curricula for parents needing open-entry, open-exit job skills training activities to stack on top of 20 hours of a core activity. (\$688,000 per year) ▪ Funding for system upgrades to improve Working Connections Child Care data collection. (\$300,000 in 2008) ▪ Purchase of software for electronic education testing to further streamline the Comprehensive Evaluation process. (\$54,000 in 2008) ▪ Increased funding to train WorkFirst partner staff and contractors. (\$250,000 per year) 			
RESEARCH AND DATA IMPROVEMENTS	\$0	\$250	\$250
<p>The Office of Financial Management and DSHS' Research and Data Analysis Division are conducting a survey of clients who have been removed due to non-compliance sanction. In addition, work continues</p>			

SPENDING PLAN ITEM DOLLARS IN THOUSANDS	FY 2007 ACTUALS	FY 2008	FY 2009
to increase accountability through improved data. Resources are expected to focus on providing management reports to field staff and partners and on developing a data dictionary to improve data management capacity.			
PENALTY	\$0	\$0	\$13,400
Washington State did not meet the 2007 TANF work participation rate and does not expect to meet the required participation rate in Federal Fiscal Year 2008. The spending plan includes <i>estimated</i> funding for penalties associated with failing to meet the all-family and two-parent rates. We are working on the General Fund-State dollar impact associated with these penalties.			
CASELOAD CONTINGENCY	\$0	\$3,241	\$6,490
With the current economic climate, we have set aside some level of reserve for caseload growth. This spending plan includes contingency funds for a 2.5 percent caseload increase.			
TOTAL TANF BOX EXPENDITURES	\$797,938	\$874,360	\$915,608
Current Revenue Estimates		\$869,880	\$889,800
TANF Rollover Available	\$50,159	\$50,159	\$45,679
Variance		\$45,679	\$19,870

*Note: TANF penalties are identified as expenditures, even though they technically would be a reduction from revenue.

ESTIMATED 2009-11 PROJECTION

	FY 2010	FY 2011
TOTAL TANF BOX EXPENDITURES	\$912,236	\$931,106
Current Revenue Estimates	\$889,800	\$889,800
TANF Rollover Available	\$19,870	\$0
Variance	(\$2,566)	(\$41,306)

*Note: TANF penalties are identified as expenditures, even though they would technically be a reduction from revenue.

The estimated 2009-11 projection includes continuation of some of the partner program investments, such as career services for Diversion Cash Assistance, SSI facilitators, and partnership training. The barrier removal funds and any caseload growth or contingency are excluded from the estimated costs.

Although penalties are assumed for Fiscal Years 2010 and 2011, no funds are set aside in either the current or next biennium to make up the additional funds that would be needed to replace the previous year's penalty, as required by federal law.

We are currently assuming Washington will be able to use excess maintenance-of-effort dollars to replace lost federal funding due to penalties, which results in an increased participation target

but does not incur additional costs. However, if the state is required to use “new” general-fund state dollars to replace block grant funds reduced as a result of failing to meet the participation requirements, the spending plan will be adjusted and the anticipated end-of-fiscal-year balances will be reduced.

For more information about the WorkFirst program, visit www.workfirst.wa.gov. For more information about the program’s sustainability and the content of this report, contact Carole Holland, Senior WorkFirst Coordinator, at (360) 902-0580 or carole.holland@ofm.wa.gov.