



— WASHINGTON GOVERNOR —

# JAY INSLEE

*A robust and growing body of evidence shows that economic stability is essential to healthy child development, strong families and thriving communities. Yet, more than 1 in 5 Washingtonians struggle to make ends meet, preventing our state from realizing the full talent and potential of its residents. Gov. Jay Inslee proposes a suite of policy and budget changes to develop and implement recommendations on poverty reduction, close gaps in benefit programs and help prevent people from falling off programs — the so-called ‘cliff effect’ — as they work to gain economic stability.*

## Taking action to tackle poverty

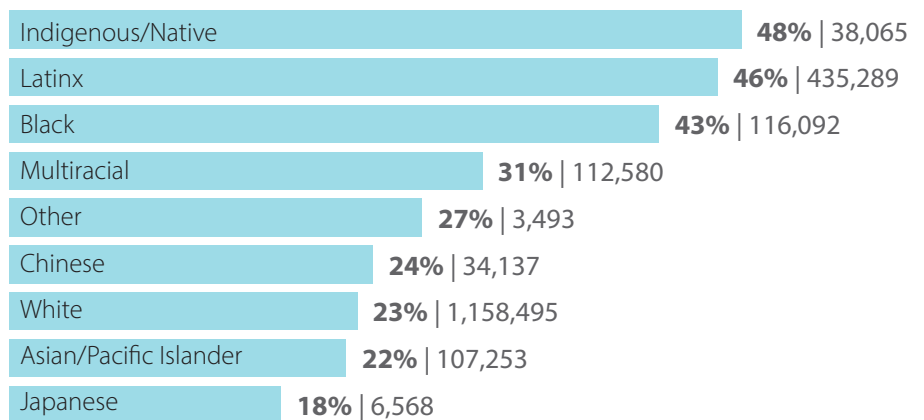
### Governor issues executive order, proposes new investments to improve the health, wealth and well-being of Washingtonians

Despite Washington ranking in the top five states for best economy, we know that just before the pandemic an estimated 1.7 million Washingtonians still did not have enough resources or income to maintain consistent housing, access healthy food, pay utility bills or meet other basic needs.

People from all backgrounds and regions of the state experience poverty, but the burden is not shared equally. Black, Indigenous and people of color, women, families with young children, youth, rural residents, immigrants and refugees, seniors, LGBTQ individuals, and people with disabilities have poverty rates above the state average. Reducing poverty in a way that achieves equity for each of these groups is necessary for progress.

### Racial and ethnic disparities

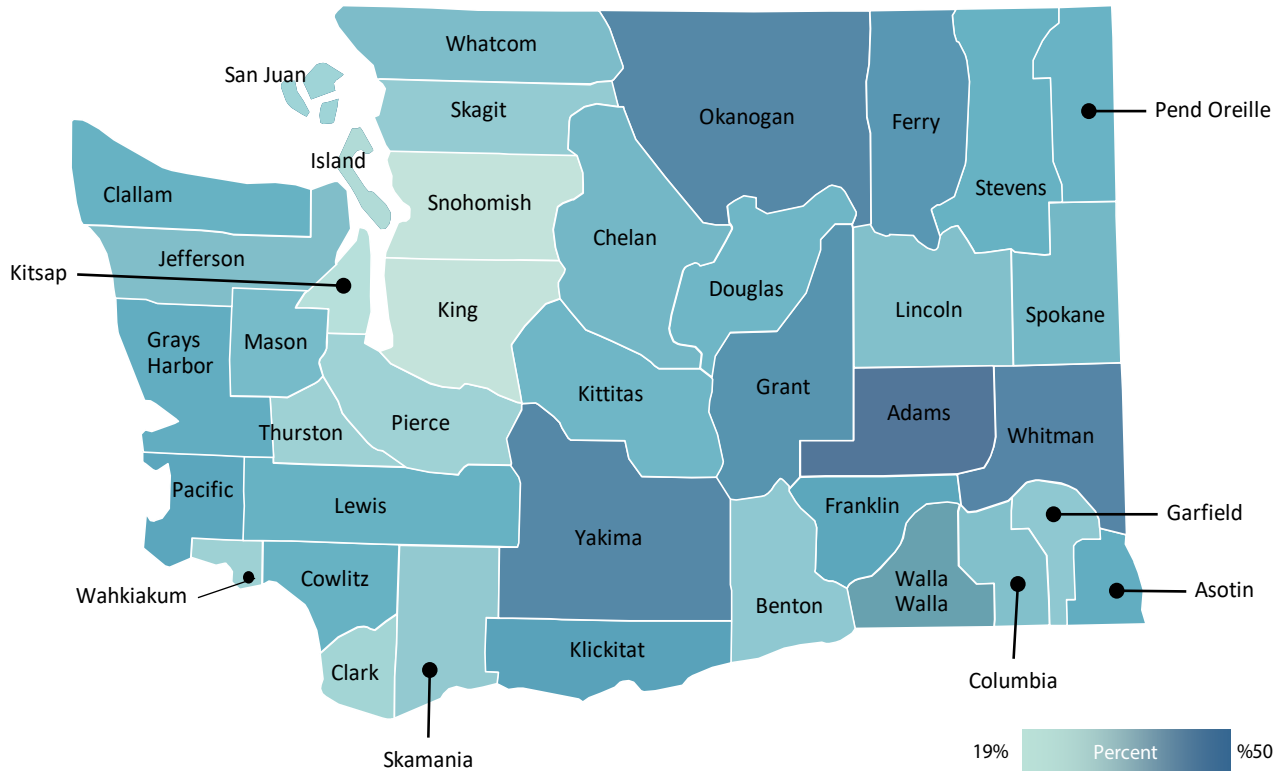
The chart below illustrates the disproportionate distribution of poverty in Washington. While white populations account for the largest number of individuals, proportionately, poverty is experienced at much higher rates in historically excluded communities.



Source: 2015-2019 5-Year American Community Survey data available at [ipums.org](http://ipums.org)

Note: 2016-2020 5-Year American Community Survey data not yet available.

## Percent of people living below 200% by county, 2015-2019



Source: 2015-2019 American Community Survey

In 2017, the governor created the Poverty Reduction Work Group and tasked it to develop a 10-year strategic plan to reduce poverty. Co-chaired by three state agencies and made up of legislators, 10 state agencies and community organizations, the group spent the past few years researching the root causes behind poverty. Using the expertise and stories of people experiencing poverty to determine priorities in the plan, the work group made 60 recommendations and developed eight strategies to create a new way forward.

Studies show that for every \$1 we spend to reduce childhood poverty, we save at least \$7 in return. With this in mind, and using key findings from the governor’s work group, Inslee proposes we address the root causes of poverty and inequality through the items listed in this report. In all, his 2022 supplemental

budget investments equal more than \$248 million in state and federal funds for poverty reduction efforts.

In conjunction with his budget proposals, the governor issued an executive order that requires the Department of Social and Health Services to chair a poverty reduction subcabinet to implement recommendations, including those from the 10-Year Plan to Dismantle Poverty. This group will better align the state’s poverty reduction efforts, eliminate process and policy gaps, recommend budget and policy proposals, and implement economic initiatives.

These actions will create more employment opportunities, promote economic stability to help people build assets and wealth, increase education opportunities, invest in solutions that improve health and well-being, and support the social capital of people and the communities where they live.

This proposal focuses on ensuring the well-being of Washingtonians across all stages of life by pinpointing the systemic failures, challenges and solutions to building a just and equitable future for all.

We know reducing poverty will require years of hard work to lay a strong foundation and focus on long-term solutions that address root causes through systemic change. These solutions will help us build our current systems and programs to make sure they offer a steady continuum of care. The governor’s 2022 budget makes significant investments that target these poverty reduction goals.

### **Build a strong, holistic continuum of care for all ages**

We need to make sure that Washingtonians who experience poverty can easily access the services they need, as they need them. Despite strong service partnerships among agencies and various sectors, Washingtonians still fall through the cracks within and between systems. This makes it challenging to meet an individual’s basic needs and navigate necessary services to advance their well-being. One way the governor proposes we address the cracks is by building an IT system that operates as a ‘one-stop shop’ for people in need of services. This eligibility system will span programs and agencies, save time and create a more simplified application process for these individuals. This will also increase efficiency for state workers. (Fiscal year 2022: \$157,000 General Fund-State, \$364,000 General Fund-Federal; FY 2023: \$4.6 million GF-S, \$10.6 million GF-F)

The governor proposes making the initial steps to address the continuum of care through the following investments:

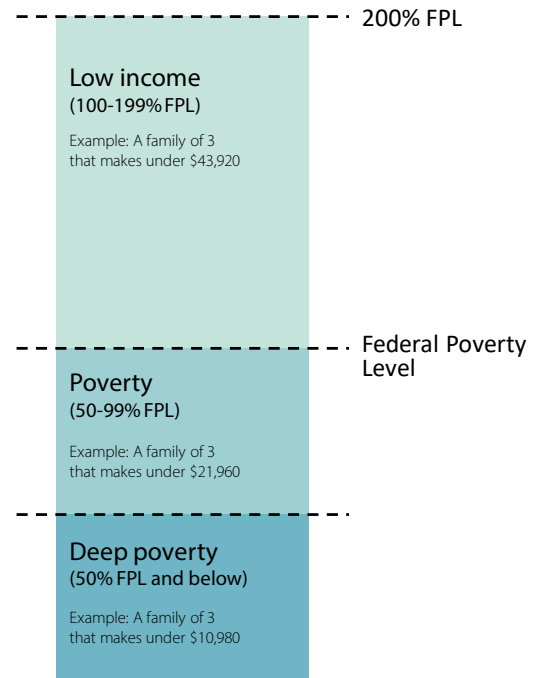
#### **Improve educational availability for children**

The budget will increase affordable, high-quality, early learning programs by converting a portion of the part-day Early Childhood Education Assistance Program slots to school and working-day slots. Offering more flexible options will better serve the needs of working

### **200% Federal Poverty Level explained**

[The official poverty level for the U.S.](#), is based on a measure developed in 1963 during the War on Poverty and remains in wide use today to track economic hardship and determine eligibility and assistance levels for programs.

In 2021, a family of three falls under the official definition of poverty if they make under \$21,960 per year, no matter where they live in the continental U.S. The severity of poverty is often defined as a ratio to the federal poverty level (FPL).



parents and reach more children by school year 2027. (FY 2023: \$9.3 million GF-S)

#### **Strengthen health supports across all ages**

Washington is a national leader in policies that support intergenerational health and well-being. The budget expands that focus in the following ways:

- Prevent child lead exposure through free, voluntary testing of drinking water at child care and early learning centers. Infants and young children are at greater risk of lead poisoning, which can lead to severe and permanent health impacts. The Department of Health would provide resources on how to fix these safety issues. (FY 2022: \$223,000 GF-S and FY 2023: \$186,000 GF-S)

- Remove asset limit tests (a way to ensure people don't have resources/assets that exceed a certain threshold) for the state's Medicare Savings Plan. This would provide an additional 4,500 low-income seniors with coverage for Medicare Part A and Part B premiums and copayments. (FY 2023: \$1.3 million GF-S, \$1.2 million GF-F)

### **Increase food security access**

According to research conducted by the University of Washington and Washington State University, 27% of the population — a jump from 10% — has experienced food insecurity during the COVID-19 pandemic. To address this issue, the governor's budget will:

- Close benefit gaps in the Women, Infants and Children (WIC) program. One way is to provide timely access to therapeutic infant formula for infants with medical conditions who move into Washington. This will also increase the monthly formula benefit for fully formula-fed infants on WIC. (FY 2023: \$6.2 million GF-S)
- Continue to expand the capacity of our Emergency Food Assistance program and We Feed Washington by providing additional resources to hunger relief organizations. (FY 2022: \$32.2 million Coronavirus State Fiscal Recovery Fund-Federal; FY 2023: \$60.1 million Coronavirus State Fiscal Recovery Fund-Federal)
- Expand the Senior Farmer's Market Nutrition program to 7,100 more seniors. (FY 2023: \$400,000 GF-S)
- Modernize the Transitional Food Assistance program\* to ease the benefit cliff for more families as they transition into employment and leave the Temporary Assistance for Needy Families program. (FY 2023: \$524,000 GF-S)

### **Increase benefits and close access gaps to certain public assistance programs**

Across the state, many individuals and families struggle to meet the cost of basic needs. Though Washington offers several cash assistance programs to help these groups, the programs often fall short. This budget will increase benefit levels and close access gaps to the following programs:

- *Aged, Blind or Disabled program.* This program serves low-income, vulnerable Washingtonians who experience a high level of homelessness and mental health disability. The governor proposes increasing the maximum cash benefit from \$197 to \$417 per month for a single-person grant, and from \$248 to \$528 per month for a two-person grant. This better aligns with other cash assistance programs that are designed to meet an individual's basic needs. The governor also proposes removing access barriers by eliminating the mid-point eligibility review that currently takes place every six months, expanding these cash benefits to victims of human trafficking\* and those in public mental health institutions. (FY 2023: \$37.5 million GF-S)
- *Temporary Assistance for Needy Families and State Family Assistance programs.* These programs serve low-income families with dependent children. The governor proposes increasing the benefit amount for households with nine or more members and increasing benefit access by removing the 60-month time limit for child-only cases where the household has an ineligible parent.\* (FY 2023: \$20,000 GFS; \$454,000 GF-F)

### **Keep resources in the pockets of Washingtonians**

Multiple systems — including foster care, justice and in-home care — charge individuals and families fees to help offset the cost of providing care to their children or themselves. However, these charges often

\*Requires a policy change through legislation

disproportionately impact those experiencing poverty, which can be counterproductive to their progress and well-being. The governor proposes the following changes:

- Make referrals for child support collection on a case-by-case basis for families whose children are placed in out-of-home care when the plan is to reunite the child with their family within 180 days. This reduces a financial burden that can destabilize the household and, instead, focuses on successful and timely family reunifications. (FY 2022: \$595,000 GF-S, \$149,000 GF-F; FY 2023: \$1.2 million GF-S, \$241,000 GF-F)
- Eliminate the requirement that parents of incarcerated youth must pay a percentage of their income to the Department of Children, Youth, and Families,\* and eliminate the fee on individuals who enter community supervision through the Department of Corrections.\* (FY 2022: \$703,000 GF-S; FY 2023: \$2.6 million GF-S)
- Increase the income that clients from Aging and Long-Term Care services retain through the Personal Needs Allowance so they can cover critical expenses, such as their mortgage or rent. (FY 2023: \$25.6 million GF-S and \$32.5 million GF-F)

### **Support individuals exiting state systems**

As Washingtonians exit state systems and reenter their communities, they struggle to initially cover housing costs and other essential needs. The governor proposes to bridge these gaps by offering these individuals grants and vouchers. This will help more youth avoid homelessness and offer those being released from prison stronger resources, making reentry easier and more successful. (FY 2023: \$3.6 million GF-S)

### **Support nonprofits as they navigate state processes**

The state would offer housing nonprofits across Washington various educational opportunities, resources, and technical assistance. This will help them better serve their communities, navigate state systems, understand the jargon associated with state funding, and learn the different administrative aspects of building and growing a nonprofit in the state. This includes helping them competitively submit grant proposals. (FY 2023: \$451,000 GF-S)

### **Target equitable education and ensure a just transition to the future of work**

The state has built a strong foundation of workforce training resources, including the nation's best financial aid package for low-income learners. This proposal expands upon that to help individuals in school or who are looking for a job. We propose to:

- Analyze digital equity data by creating a dashboard that maps layers of access, affordability and equity measures. Provide grants to support locally-developed digital equity plans. (FY 2023: \$3.9 million GF-S)
- Continue the Economic Security for All program, which provides local communities with resources to help individuals in poverty access services that lead to self-sufficiency. (FY 2023: \$6.2 million GF-S)
- Create employment and training opportunities for participants of the state's Food Assistance program. (FY 2023: \$560,000 GF-S)
- Expand the Homeless Student Assistance program to ensure that college students facing homelessness can access necessary supports.\* (FY 2023: \$3.3 million GF-S)

*\*Requires a policy change through legislation*

## **Lay a strong foundation**

We must build on the voices of those with lived experience as we make budget and policy decisions and use an enterprise-wide approach to reduce poverty. The governor proposes we lay this foundation through the following investments:

**Form a Technical Advisory Group** within DSHS to govern a measured framework that helps guide the state toward more equitable decision-making. This team will use data and stories from people who have lived in poverty to inform budget and policy decisions. (FY 2023: \$461,000 GF-S)

**Offer agencies technical assistance** through the Office of Equity on best practices for how to engage communities when creating equitable policies. (FY 2023: \$80,000 GF-S)

**Provide a stipend based on the value of lived experience\*** for individuals who participate on boards, commissions, councils, committees and work groups. Individuals affected by poverty and inequality can offer crucial insight. Recognizing this value in a monetary way creates a more equitable dynamic from the start. (FY 2023: \$50,000 GF-S)

**Create poverty focused positions at DSHS** to track agency progress on poverty issues, convene subcabinet meetings to identify policies that reduce systemic poverty, coordinate with agencies on budget and policy formation and implementation, and track how well agencies improve the well-being of Washingtonians. (FY 2023: \$364,000)

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## Poverty reduction table

### Summary of investments — All funds, 2022 supplemental budget

Focus Area	Items	Agency	Amount
<b>Ensuring an Enterprise-Wide Poverty Reduction Approach</b>	Poverty Reduction Program	Dept. of Social and Health Services (DSHS)- FFA	\$364,000
	Tech. Advisory Group - Poverty Red.	DSHS- FFA	\$461,000
<b>Total</b>			<b>\$825,000</b>
<b>Community Consultation</b>	Equity Office Community Consult	Equity Office	\$80,000
	Lived Experience Stipend	Office of Financial Management	\$50,000
<b>Total</b>			<b>\$130,000</b>
<b>Continuity of Care</b>	Prevent Child Lead Exposure	Dept. of Health	\$419,000
	WIC Food Security	Dept. of Health	\$6,178,000
	Senior Farmer's Market Nutrition	DSHS - ALTSA	\$400,000
	Food Assistance Capacity Grants	Dept. of Agriculture	\$17,625,000
	We Feed Washington	Dept. of Agriculture	\$74,838,000
	ECEAP Slot Conversion	Dept. of Children, Youth and Families (DCYF)	\$9,327,000
	Child Support Foster Care	DCYF	\$2,188,000
	Expand Homeless Student Assistance Program	State Board for Community and Tech. Colleges	\$2,932,000
	Homeless College Students Support	WA Student Achievement Council	\$372,000
	Housing Nonprofit Capacity Support	Dept. of Commerce	\$451,000
Aligning the ABD Grant Standard	DSHS - ESA	\$36,656,000	

Focus Area	Items	Agency	Amount
<b>Continuity of Care (cont.)</b>	FAP Employment and Training Services	DSHS - ESA	\$560,000
	Eliminating ABD/HEN MCR	Health Care Authority (HCA)	\$141,000
	Eliminating ABD/HEN MCR	DSHS - ESA	\$510,000
	Expanding ABD to Institutions	DSHS - ESA	\$195,000
	Time Limit for TANF Ineligible Parents	DSHS - ESA	\$424,000
	Increasing Max TANF Family Size	DSHS - ESA	\$50,000
	Modernize TFA Sanction Exclusions	DSHS - ESA	\$524,000
	ABD and HEN Human Trafficking	DSHS - ESA	\$207,000
	Integrated Eligibility System	DSHS - ESA	\$15,796,000
	MSP Asset Test Removal	DSHS - ESA	\$156,000
	MSP Asset Test Removal	HCA	\$2,415,000
	Increase In-Home PNA	DSHS - AL TSA	\$58,117,000
	Parent Pay	DCYF – Juvenile Rehabilitation	\$1,649,000
	Grant for Youth Exiting State Systems	Dept. of Commerce	\$1,518,000
	Eliminate Cost of Supervision Acct	Dept. of Corrections	\$1,629,000
	Resentencing and Reentry Support	Dept. of Corrections	\$2,080,000
	EcSA – Economic Security for All	Employment Security Dept.	\$6,208,000
Broadband Digital Equity	Dept. of Commerce	\$3,986,000	
<b>Total</b>			<b>\$247,551,000</b>
<b>Grand Total</b>			<b>\$248,506,000</b>