



STATE OF WASHINGTON

WASHINGTON WORKFIRST

- Office of Financial Management • Department of Social and Health Services
- Employment Security Department • Department of Commerce
- State Board for Community and Technical Colleges • Department of Early Learning

November 10, 2010

Dear WorkFirst Re-examination 'One Table' member:

As you know, the Governor directed all state agencies to take an across-the-board budget reduction of 6.3% to help address the state's continuing financial crisis. Because funding for the state's Temporary Assistance for Needy Families (TANF) program, WorkFirst, is provided in the operating budget, it is subject to the 6.3% reduction. This means we must make cuts to achieve savings of about \$19 million in general fund state dollars for the current fiscal year, which ends on June 30, 2011.

These reductions are in addition to the \$51 million in WorkFirst cuts that we announced earlier this year in August to keep the program's budget in balance.

The WorkFirst Subcabinet has identified nearly \$18 million in across-the-board reductions for WorkFirst, and these are detailed below. As you will see, they will not take effect until next year. It is not possible to make these changes without regulation or contractual changes, which will take time. Because of this, some cuts will go into effect on January 1, 2011 while those that require legislative approval are targeted to begin on March 1, 2011 or later.

We know that these are painful reductions – there is no disputing that many people, families and children will be hurt. Very difficult decisions had to be made to preserve the safety net for the most vulnerable families, which is the key principle we held to in deciding where to make cuts.

	GF-State Savings Possible	Number of Affected Clients	Effective Date
Lower the income eligibility limit for Working Connections Child Care subsidies from 175% to 150% of the federal poverty level. With this change, a three-person family with monthly income over \$2,756 will not be eligible.	\$12.5 million for State Fiscal Year (SFY) 2011 \$31.6 million annually	About 4,115 families will no longer be eligible when their current certification period ends	January 2011
Reduce state maintenance-of-effort funding for Tribal TANF programs by 6.3%.	\$401,000 for SFY 2011 \$801,760 annually	10 Tribes and one tribal consortium currently operate a Tribal TANF program	January 2011

	GF-State Savings Possible	Number of Affected Clients	Effective Date
A WorkFirst family is permanently disqualified from the program when the family has been terminated from TANF more than two times due to a non-compliance sanction caused by a failure to comply with required work activities. This permanent disqualification does not apply to children living in the home who are not required to participate in WorkFirst.	\$32,000 for SFY 2011 \$95,000 annually	16 families per year	March 2011
Apply an income 'means test' of 200% of the federal poverty level to child-only cases where the parent is not in the home. This includes kinship care cases. Under current rules, for these cases, only the child's own income and resources are considered in determining eligibility for the grant. 200% of the federal poverty level is the income eligibility standard for Basic Food, Washington's food stamp program. This means that in a household of three people, the household income must be less than \$3,052 per month for the child to be eligible for WorkFirst.	\$2 million for SFY 2011	There are currently about 10,400 TANF families with a kinship or legal guardian caregiver. These families would be subject to the income means test.	To be determined
Reduce funding from the WorkFirst budget that is used to support the delivery of child welfare services by 6.3%.	\$2.37 million for SFY 2011 \$2.37 million annually	n/a	January 2011

Possibility of More Reductions

As we discussed at our 'One Table' meetings, further and deeper reductions that could be as high as \$62 million may be necessary if Congress does not approve soon a one-year extension of federal TANF Emergency Contingency funds. And because the WorkFirst caseload continues to rise during these difficult economic times, we may need to make additional reductions of \$25 million.

The future biennial outlook is also bleak, and other cuts will likely be needed to balance the state's 2011-13 budget.

Although these are very difficult and challenging times, we believe there are opportunities and imaginative new solutions to be found in this adversity.

We need to recognize this as a time to reset, not just reduce, and envision a future where federal, state, tribal, local and private resources are leveraged and maximized to meet our shared responsibility in helping families with significant social and economic challenges reach their full potential.

Working in partnership with communities and partners like you, I firmly believe the future holds great promise. We look forward to working with you to build a strong and sustainable future for our WorkFirst program.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan".

Susan N. Dreyfus
Secretary, Department of Social and Health Services

cc: WorkFirst Subcabinet
WorkFirst Sub 2 Principals

