

Washington State State Program Policy

Policy Number: 7005, Revision 2

Policy Title: Community Reinvestment Fund

Effective Date: July 1, 2025

1. Purpose:

To communicate guidance and instructions for the Economic Security for All (EcSA) Career Accelerator Incentives Fund and EcSA Business Support Fund established under the state Community Reinvestment Plan (CRP).

2. Background:

In 2022, the Washington State Legislature established a \$200 million Community Reinvestment Account in the State Treasury. The funds were designed to address racial, economic, and social disparities created by the historic design and enforcement of state and federal criminal laws and penalties for drug possession (otherwise known as “The War on Drugs”).

In 2025, the Washington State Legislature designated \$60 million to continue the programs as established in the Community Reinvestment Plan. The state Department of Commerce allocated \$14.475 million in partnership with EcSA, broken out as follows.

- \$10,110,000 of this fund is dedicated to EcSA Career Accelerator Incentives and Matched Investment Savings Accounts to provide financial support payments of up to \$1000 per month in incentives to individuals making progress toward their career plan and matched investment savings accounts at a match rate of 1:1 for up to \$10,000 to participants in matched savings. Please refer to [State Program Policy 7010-3](#) Community Reinvestment Plan Matched Investment Savings Accounts for guidance.
- \$4,365,000 of this fund is dedicated to EcSA Business Support to provide business navigator services and business grants to support business startup, recovery, and growth.

3. Policy

Both the EcSA Career Accelerator Incentives Fund and EcSA Business Support programs are dedicated to increasing equity by placing a focus on assisting historically underserved communities. The program has a specific emphasis on serving EcSA participants from the Governor’s WIOA priority populations and ALICE (Asset Limited, Income Constrained, Employed) households, with particular focus on Black, Tribal, Latine, Asian, Hawaiian and Pacific Islander Washingtonians. This policy provides guidance for the planning and implementation of these funds.

a. EcSA Career Accelerator Incentives Fund

i. Eligibility

In order to receive monthly incentive payments through the EcSA Career Accelerator, participants must be eligible for and enrolled in the State EcSA program prior to receipt of any payment.

- Participants may receive incentives from the EcSA Career Accelerator when State EcSA-enrolled, whether they are above or below 200% of the Federal Poverty Line (FPL).
- The EcSA Career Accelerator's focus supports Black, Tribal, Latine, Asian, Hawaiian, and Pacific Islander communities, and areas should implement outreach strategies to reach these populations. However, anyone who is eligible may be enrolled in State EcSA and receive incentives from the EcSA Career Accelerator.

Areas should be aware that the number of customers served from these target populations is being tracked through regular reports to the Washington State Department of Commerce and the Governor's Office of Equity, which expect to see significant growth in the number of people served from Black, Tribal, Latine, Asian, Hawaiian, and Pacific Islander populations. Because of this, effective recruiting strategies and proper data entry concerning customer demographics (**including participant completion of a WorkSourceWA.com account**) are especially vital for this program.

ii. Incentive Payments

Incentives must meet the following requirements:

- Incentive payments may only be provided to individuals who are enrolled in the State EcSA program.
 - Payments must be tracked in the State MIS (currently ETO) using the Community Reinvestment Financial Support Payment touchpoint.
 - Incentives must be included as part of the career plan of the participant who would receive them.
- Incentive payments provided by the EcSA Career Accelerator must not exceed \$1000 per month per participant. Participants are capped at up to \$10,000 total in incentive payments.
- Provision of the incentive payments must follow the milestone-based incentive structure found in [Attachment B](#). Participants must complete defined activities and/or outcomes, as part of a plan developed with their case manager, to receive the incentive payment(s) up to a maximum of \$1000 per month.
 - Participants who received career accelerator incentives prior to July 1, 2025, may continue to receive incentives via completion of activities defined in [Attachment B](#). Incentives received after July 1, 2025 cannot exceed the \$10,000 cap per participant.
- Participants may decline incentive payments at any time and for any reason.
- Incentives must be paid by check, direct deposit, or via a prepaid card capable of being used in a manner similar to a debit card. Gift cards are not an acceptable form of payment.
- Case managers must take steps while working with participants to assess other

benefits received and determine what impact, if any, receipt of EcSA Career Accelerator incentives will have on those benefits. After identifying any potential issues, participants and case managers should engage in discussion to determine how to address any conflicts and assist participants in making informed decisions.

- Incentives received under the EcSA Career Accelerator program do not have any impact on eligibility for any other incentives, EcSA or otherwise. Participants may still receive incentive payments from State EcSA if they are eligible for them as part of their career plan and the LWDB offers them.

iii. Impact of Payments

Provision of incentive payments under this program may cause additional requirements on sub-grantees or LWDBs concerning the provision of tax forms. Because of this, it is recommended that LWDBs and sub-grantees understand their responsibilities and the implications of such services for the purposes of participant tax reporting and the receipt of other benefits from the system.

b. EcSA Business Support

i. Communities of Emphasis

The funds provided by EcSA Business Support are intended primarily to support Community Reinvestment Businesses defined as Black, Tribal, Latine, Asian, Hawaiian, or Pacific Islander-owned or operated businesses and individuals from these communities who are starting a business, with focus on EcSA participants who want to start a business or businesses who employ or plan to hire EcSA participants. While other populations may be served with the funds, LWDBs must make significant efforts to serve these target populations. Areas should be aware that the number of customers served from these target populations is being tracked through regular reports to the Washington State Department of Commerce and the Governor's Office of Equity, which expect to see significant growth in the number of people served from Black, Tribal, Latine, Asian, Hawaiian, and Pacific Islander populations, as well as strong demonstration of benefit for EcSA participants.

ii. Business Support

Each LWDB is required to provide business navigator services to help Community Reinvestment Businesses, and individuals starting a business, identify and connect with existing state systems to help their company succeed as well as access business grants to support business startup, recovery, and growth.

iii. Each LWDB will:

- Fund up to one Full-Time Equivalent (FTE) Equity-Focused Business Navigator to conduct outreach, support the provision of business grants, and help Community Reinvestment businesses identify and connect with existing state systems and programs to support their business growth and needs.
- Provide business grants to support business startup, recovery, or growth, with focus on serving businesses owned or operated by CRP priority populations or individuals from these communities who are starting a business, with a focus on EcSA participants who want to start a business and businesses who employ or plan to hire EcSA participants. Business grants may be awarded to support training, inventory, marketing, licensing, equipment purchases, basic operations or other business needs

necessary for start-up, recovery or business growth. Business Navigators must provide grant application support and technical assistance to businesses, in collaboration with By-and-For organizations._

c. Reporting Requirements

LWDBs are required to submit quarterly narrative and quantitative reports to GMO concerning contract performance and activities over the previous quarter. This report must follow a format to be provided to areas by GMO that is designed to capture the required performance aspects of the program outlined in LWDB contracts not able to be adequately captured via other means. The quarterly reports are due on January 31, April 30, July 31, and October 31, unless any of those dates fall on a weekend or holiday, in which case they are due the following business day.

d. Monitoring:

The Community Reinvestment Fund programs will be monitored by the ESD Monitoring Unit, at a time and in a manner to be determined in consultation with GMO, the ESD Monitoring Unit, and the specific LWDB to be monitored.

4. Definitions

None

5. References:

- State Program Policy 7000

6. Supersedes

State Program Policy 7005- Community Reinvestment Fund

7. Website:

[Workforce Professionals Center](#)

8. Action:

Local Workforce Development Boards (LWDBs) and their contractors must distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

Direct Policy Inquiries To:

Employment System Administration and Policy
Employment System Policy and Integrity Division
Employment Security Department
P.O. Box 9046
Olympia, WA 98507-9046
SystemPolicy@esd.wa.gov

Direct Procedural Inquiries To:

Grants Management Office
Employment System Policy and Integrity Division
Employment Security Department
P.O. Box 9046
Olympia, WA 98507-9046
WorkforceInitiatives@esd.wa.gov

Attachments:

[Attachment A](#): Community Reinvestment Fund FAQ

[Attachment B](#): CRP Incentive Guidance

Community Reinvestment Funds FAQ

1. Who are the intended communities to serve with the CRP funds?
Answer: Individuals from the Governor's WIOA priority populations and ALICE (Asset Limited, Income Constrained, Employed) households who are Black, Tribal, Latine, Asian, Hawaiian, and/or Pacific Islander; with a focus on EcSA participants and businesses who employ or plan to hire EcSA participants.
2. Do LWDB CRP subcontractors also need to be EcSA subcontractors?
Answer: Areas are encouraged to avoid using separate contractors for systems that are intended to be integrated. However, if a local area needs to use a different contractor while maintaining a single coordinated EcSA system, they may do so. In this case, the EcSA system must still function as a single unified system locally, to break down silos and separations across funding streams. Local program models must uphold this principle.
3. How do areas ensure that demographic information is fully completed?
Answer: The case manager should ensure that clients have accounts in WorkSourceWA.com with fully completed and current demographic information at the time of enrollment. For further directions on this, see Policy 7000 Attachment B.
4. Are individuals allowed to respond "decline to answer" on demographic questions surrounding the target population?
Answer: Yes. Participants are not required to self-identify if they do not wish to do so and may select "decline to answer" whenever they wish.
5. What will the monitoring process look like for the CRP program?
Answer: Similar to current State EcSA monitoring.
6. Are programs funded by the Community Reinvestment Fund required to be included in Infrastructure Funding Agreements?
Answer: No, they are not required partners and are not therefore required to pay into the IFA.

Career Accelerator Incentives

7. What percentage of incentives are designated for target communities?
Answer: There is no target. However, ESD will track and report this to the Department of Commerce and the Governor's Office of Equity. Demonstrating a reasonable focus and strong and growing participation by these communities will help show we are using the funds as intended. If we fail to do so, we may receive hard targets in the future.
8. Will incentives count as income against SNAP and other benefits?
Answer: Incentives will count as income for SNAP. For other benefits, local areas are encouraged to use the Atlanta Federal Reserve's tool for predicting such impacts, which Seattle-King County LWDB currently uses.

<https://www.atlantafed.org/economic-mobility-and-resilience/advancing-careers-for-low-income-families/cliff-tool>

Customers should consider how much SNAP they will lose versus how much incentive they will gain. For example, a customer might decide that getting a \$1000 incentive is still worth it, even if they lose \$250 in SNAP benefits. It is vital for case managers to work with participants to determine potential issues and plan accordingly.

9. Do incentive payments count as income for the self-sufficiency calculator?

Answer: No.

10. What is the difference between EcSA Career Accelerator Incentives and State EcSA incentives?

Answer: EcSA Career Accelerator Incentives are monthly payments of up to \$1000 provided to participants who are completing the specific incentivized activities and/or outcomes defined in [Attachment B](#). They are paid using Community Reinvestment Funds. Other incentives would be related to the regulations of the State EcSA program and would be paid using State EcSA funds.

11. Can LWDB subrecipients offer incentives as well to participants?

Answer: Yes, subcontractors can implement the entire program including making incentive payments. The incentive payments must follow the rules as laid out in the LWDB's contract from ESD.

12. Can young adults under the age of 18 receive incentives?

Answer: Yes. However, parent or guardian consent is required unless the minor is legally emancipated, and the parent or guardian must have the opportunity to consider the impacts on other benefits the household may be receiving, as discussed above. This permission must be documented in case notes. Parents or guardians may be invited to take part in EcSA along with their child as well, if eligible.

13. Can contractors directly pay for up to \$1000 of client expenses monthly as their monthly CRP incentive?

Answer: An offsetting payment of this sort is a supportive service, not an incentive. This is also reflected in the State EcSA Policy and is further supported by the definitions in the services catalog. Additionally, attempting to circumvent impacts to TANF might raise concerns with DSHS in terms of avoiding TANF regulations, as TANF supports are intended to pay for the same rent, utilities, and monthly living expenses.

Business Support

14. Are the EcSA Business Support funds exclusively for Black, Tribal, Latine, Asian, Hawaiian, and Pacific Islander-owned businesses?

Answer: No, the funds provided by the EcSA Business Support and Subsidized Training are intended to primarily support Black, Tribal, Latine, Asian, Hawaiian, and Pacific Islander owned or operated businesses; with a focus on EcSA participants and businesses that employ or plan to hire EcSA participants but can be used for other populations if needed. The Equity-Focused Business Navigator is authorized to attest to each business being Black, Tribal, Latine, Asian, Hawaiian or Pacific Islander-owned or operated and must keep records indicating this and report the number of each to ESD in quarterly reports.

15. Is it a requirement to add a new Equity-Focused Business Navigator?

Answer: Up to one FTE must be in place. This position may be filled entirely by current staff members for the purpose of preventing the layoff of those staff members or may be split across several staff in order to ease funding concerns, but the total capacity must be some portion up to one full FTE, and any staff who charge to the program must be **directly** involved in providing services for clients of the program.

16. Can LWDBs use the funds from the Business Support program to make internal improvements?

Answer: No, the funds cannot be used to implement programs to benefit the LWDB.

17. Is there any restriction on whether a non-profit can receive assistance from the Business Support program?

Answer: Non-profits may receive assistance and business grants, provided they are not the LWDB or contracted by the LWDB as a service provider or partner.

EcSA CRP Incentive Guidance

| Goal | Incentive Amount Limit | | How to Access |
|---|------------------------|--------------------|--|
| Goal Setting and Planning Incentives | | | |
| Individual Employment Plan and individualized self-sufficiency wage goal through the Self-Sufficiency Calculator. | \$100 | 1x | Participant updates or establishes a detailed employment plan and reviews Self-Sufficiency Calculator results and wage goal with case manager. |
| Complete a financial plan with a financial coach | \$100 | 1x | Participant meets with a financial coach and develops a personalized financial plan. |
| Monthly budget review with financial coach | \$50 | 6x | Participant completes a monthly budget review with a financial coach. |
| Employment Readiness and Financial Literacy Incentives | | | |
| WorkSource Financial Wellness Series or locally approved comparable financial education classes | \$75 | Per module /course | Participant attends WorkSource Financial Wellness Series or comparable financial education or debt reduction classes virtually or in-person and provides proof of attendance. |
| WorkSource Job Hunter Virtual Workshop Series or locally approved comparable job preparation classes | \$50 | Per module /course | Participant attends Job Hunter Virtual Workshop series or comparable job preparation classes to include the following topics: <ul style="list-style-type: none"> • Resume and Cover Letter • Skills and Abilities • Job Search Strategies • Interviewing • Applications |

| | | | |
|--|-------|----|---|
| Complete an employment portfolio (Resume AND Cover Letter) | \$50 | 1x | Participant provides copy of resume and a basic cover letter. |
| Complete an informational or job interview | \$50 | 4x | Participant completes an informational or job interview with an employer, up to 4 times. |
| Attending a hiring event | \$50 | 4x | Participant attends a hiring event and provides proof of attendance and engagement with employers. |
| Take a certified first-time homebuyer's course | \$250 | 1x | Participant completes a first-time homebuyer's course and provides certification or proof of completion. Washington Homeownership Resource Center - 877-894-4663 |

Training Incentives

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|-------------------|-------|-----------|---|
| Start training | \$500 | 1x | Participant starts training aligned with EcSA career plan. |
| Maintain training | \$750 | Per month | Participant maintains satisfactory progress in training each month, verified by progress report, transcript, letter from employer, or case manager notes indicating specific progress made. |

Goal Attainment Incentives

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|--|---------|----|---|
| Achieve a recognized credential | \$1,000 | 1x | Participant completes a recognized credential verified by transcript, diploma, certification, or confirmation from training provider. |
| Become employed and complete 160 hours or one month of full-time employment. | \$1,000 | 1x | Participant provides documentation of 160 hours or one-month full-time employment completed. |
| Achieve Earnings above 200% FPL | \$1,000 | 1x | Participant provides wage verification via paystub or letter from employer that confirms they are achieving earnings above 200% FPL for their current household size. |

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|---|---------|----|---|
| Achieve Identified Self-Sufficiency Wage | \$1,000 | 1x | Participant provides wage verification via paystub or letter from employer that confirms they are achieving earnings at or above their identified self-sufficiency wage. |
| Increase credit score by 50 points or more | \$100 | 6x | Participant works with a financial coach to identify ways to increase credit score and provides documentation of credit score increase to case manager. |
| Decrease non-asset related debt by \$1,000 or more. | \$100 | 6x | Participant works with a financial coach to identify ways to decrease non-asset related debt by \$1,000 (up to \$6,000) and shares documentation of debt reduction with case manager. |

*Incentive payments must not exceed \$1000 per month per participant. Participants are capped at up to \$10,000 total in incentive payments.

*MISA participants should be encouraged to use their incentives as MISA contributions.

*Local areas may add additional goals to this list, not to exceed \$1000 in incentive amount. Any additional goals must be approved by the Grants Management Office (GMO) and Commerce prior to implementation.

*Listed incentive amounts are the maximum amounts allowed per activity or outcome. Local areas can set amounts less than the indicated maximum with GMO approval.

*If local areas plan to modify this incentive guidance in any way, including providing fewer options than currently listed, they must submit their modifications to GMO for review and approval.