



*Program Policies*

# State EcSA Community Reinvestment Fund

## Business Support and Subsidized Training Policy

**POLICY #:** *P-S-EcSA-1021*

**EFFECTIVE:** *June 28, 2024*

**SUPERSEDES:** *N/A*

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### **PURPOSE:**

This policy provides guidance and instruction for WorkForce Central’s business services funded through the State’s Economic Security for All (EcSA) Community Reinvestment Fund.

### **BACKGROUND:**

In 2022, the Washington State Legislature established the \$200 million Community Reinvestment Account in the State Treasury. The funds are 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”). As part of this initiative, the state Department of Commerce allocated \$25 million to a partnership with the Economic Security for all (EcSA) program to reduce poverty with a focus on equity. \$15 million of the fund is dedicated to EcSA Business Support and Subsidized Training to partner with employers to provide training support and other assistance to help businesses hire and retain staff. The program is dedicated to increasing equity and redressing the impacts of the federal and state War on Drugs by placing a focus on assisting Black, Indigenous, and Latino Washingtonians.

### **POLICY:**

Funds provided by EcSA Business Support and Subsidized Trainings are intended primarily to support Black, Indigenous, and Latino-owned businesses. While other populations may be served with the funds, significant efforts must be made to serve Black, Indigenous, and Latino-owned businesses.

WorkForce Central will support eligible Pierce County licensed businesses with 50 or less employees with wage reimbursement (on-the-job training) and incumbent worker training opportunities, and the purchase of equipment/assets if the expenditure is under \$15,000.



Incumbent worker training for current employees may include short-term (6-months or less) certifications and other employee development that reduces the cost of training employees, supports worker retention, and provides upskill or advancement opportunities for employees.

Wage reimbursement training (i.e., on-the-job training) offers eligible businesses the opportunity to receive 75% reimbursement of a new employee's wages for up to three (3) months while the employer trains the new hire on the skills necessary for the position. Businesses must commit to retaining the new hire after completion of the wage reimbursement training, be registered with the Internal Revenue Service (IRS) and be licensed to operate in the State of Washington.

Asset purchases such as furniture, equipment, machinery, or software that produce long-term benefits such as increasing revenue, increasing the business's value, and/or improving operations are authorized up to \$15,000. The EcSA Business Support and Subsidized Training funds cannot be used for working capital, land and building acquisition, or relieving existing debt. WorkForce Central will work directly with the business for making these purchases. Funds will be distributed directly to the vendors.

## **PROCEDURES:**

### **Business Eligibility and Grant Application Process**

Businesses eligible to apply for EcSA Business Support and Subsidized Training opportunities must be Black, Latino, Indigenous or other-owned businesses with 50 or fewer employees and be licensed to operate in Pierce County, Washington. Interested businesses must submit the [Small Business Grant Application](#) (located at [Small Business Grants - WorkForce Central \(workforce-central.org\)](#)) . Applications will be reviewed on a minimum monthly basis or more frequently depending on volume of applications received.

WorkForce Central will notify grant applicants via email within three (3) business days of receipt of application. WorkForce Central will notify grant applicants via email within two (2) weeks of their grant submission if their application has been approved, denied, or if additional information is needed before a determination can be made.

Following the grant award, WorkForce Central and the business will enter into a grant agreement that establishes the award amount, purpose of the award, and required follow-up activities. Follow-up activities may include reporting increases in revenue, staff retention or wage gains, or other positive impacts of the grant award.

WorkForce Central may limit the number of grants awarded based on funding availability or other factors.



## Trainee Reporting Requirements

Individuals who receive EcSA Business Support and Subsidized Training (incumbent worker and wage reimbursement/on-the-job training opportunities) must be currently employed with a business who has been awarded EcSA Business Support and Subsidized Training funds and must register with WorkSourceWA.com. WorkSourceWA.com accounts must be completed in full with current demographic information recorded at the time of program enrollment. Participants may select “decline to answer” on demographic questions.

Individuals receiving incumbent worker or wage reimbursement training must be recorded in the state’s management information system, commonly referred to as “ETO”, with a complete demographic profile recorded in ETO. Individuals must be enrolled in the Community Reinvestment Fund program with the applicable training service recorded in ETO linked to that program of enrollment. Progress in training should be documented in case notes recorded in the applicable training service touchpoint recorded in ETO.

Individuals engaged in EcSA Business Support and Subsidized Training incumbent worker and wage reimbursement training opportunities may be co-enrolled in the State’s Economic Security for All (EcSA) program, but it is not required. Individuals who may benefit from additional assistance, such as supportive services will need co-enrollment into other programs as these services are not available through the EcSA Business Support and Subsidized Training Program.

Individuals receiving the above training may be enrolled into other programs if needed and eligible. However, they are not required to receive enrollment in order to participate in the EcSA Business Support and Subsidized Training Programs. Individuals who require case management must be enrolled into a program for which they are eligible and receive case management provided through that program. Case management (including supportive services) is not an authorized EcSA Business Support and Subsidized Training activity.

For individuals who are enrolled in the State EcSA program, training provided through the EcSA Business Support and Subsidized Training Program does not count toward the \$5,000 cap for individuals over 200% of the federal poverty level.

The State EcSA Business Support and Subsidized Training Program will be monitored by Employment Security Department (ESD).

### REFERENCES:

- ESD Policy 7000
- ESD Policy 7005

*WorkForce Central is an equal opportunity employer/program. Auxiliary aids and services are available upon request for individuals with disabilities. Washington Relay Service – 711.*