Budget Savings Options 2025

Dollars in Thousands

Agency: Employment Security Department

25-27 Target #s

GF-S	192,720	NGFS	11,951,340
	193		11,951

*Cabinet agencies must identify spending reductions of at least six percent from the 2025-27 biennial appropriations in Governor Inslee's budget proposal

Agency Priority H, M, L	Impact 1-5	Program/Activity	Fund source	GF-S					Other Funds					FTE Change					Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
				FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29				
M	1	EcSA (over 200% FPL) expansion	134-1		-	-	2,701	2,701		2,701	2,701				1.00	1.00	1.00	1.00	This program expanded in the 2024 supplemental to include service to individuals over 200% of Federal Poverty Level. This is poverty reduction program started in the 19-21 biennium and expanded in 23-25. This proposal removes funding for the expansion of the program to include serving individuals above 200% FPL.	7/1/2025	This program began as a pilot program in 2019 and expanded statewide in 2021 using federal Workforce Innovation and Opportunity (WIOA) funds, typically used for pilot projects. In 2022, the state legislature enacted legislation to continue the poverty reduction program, which was funded with General Fund- State dollars. The cost of the program is about $5,900 per participant served annually. About 1,100 individuals over 200% FPL were expected to be served in the coming biennum.	Chapter 43.164 RCW; Program is subject to funds appropriated for this specific purpose. Law change not required.
M	1	EcSA (Business Navigators)	001-1		1,448	1,448	1,448	1,448		-	-	-	-		1.00	1.00	1.00	1.00	Business navigators at WorkSource centers were added to the program in 2023 to provide enhanced employer services to focus on hiring and retaining EcSA participants. ESD recommends not continuing this enhancement at this time.	7/1/2025	Core federal funding for job and employer services has been reduced. Maintaining core functions for all job seekers and employers remains a priority.	Chapter 43.164 RCW; Program is subject to funds appropriated for this specific purpose. Law change not required.
M	4	CCW Expansion	24J-1 (25-27 one-time fund swap to 120-1 P&I)		-	-	-	-		3,000	3,000	3,000	3,000		-	-	-	-	Governor Inslee's budget included $3M per year for the 25-27 biennium using ESD's Administrative Contingency Account funding to expand the Career Connected Learning program. ESD proposes pausing this additional program funding until the state's fiscal environment improves. These ESD funds are needed to cover reductions in federal funding for core services and statewide increases for compensation and central services.	7/1/2025	Funding at this level is not feasible at this time. The majority of grants are for education and apprenticeship programs. The majority of these funds are distributed directly to K-12, higher education, DCYF- Early Learning, the Student Achievement Council and for Student Financial Assistance.	Chapter 28C.30; Law change not required
M	1	Justice Involved Individuals (Pilot)	134-1		-	-	-	-		1,071	1,036	-	-		2.00	2.00			Governor Inslee's budget included a pilot project to provide employment services in correctional facilities to implement part of Executive Order 24-03 Building Safe and Strong Communities through Successful Reentry	7/1/2025	This pilot has not yet been implemented. This project can be revisited in the future if the state financial situation improves.	N/A
M	1	Washington Service Corps stipends	120-1		-	-	870	870		870	870				-	-	-	-	The program hosted 534 members in 23-24. Annual operating costs are increasing and the program receives a fixed amount from AmeriCorps. Host sites are increasingly difficult to secure as the required match incudes paying 20% of living allowance costs and 100% of program overhead. The stipend increase is for Washington Service Corps members with incomes below 200% of the federal poverty level.	1/1/2026	ESD proposes not funding the stipend enhancement, recognizing that program overhead costs and/or job site participation costs may result in fewer participants. This program was established in 1983 with grant funding given to OFM who has an interagency agreement with ESD to manage the program, which aslo recieves federal funding. Currently, 13.5 FTEs support the program.	RCW 50.65
M	1	Management Reduction	001-2		-	-	-	-	-	433	433	433	433		2.40	2.40	2.40	2.40	ESD has reduced management and	7/1/2025	ESD will continue to look at opportunities to	

Agency Priority H, M, L	Impact 1-5	Program/Activity	Fund source	GF-S					Other Funds					FTE Change					Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
				FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29				
			119-2		-	-	-	-	-	1,809	1,809	1,809	1,809		11.50	11.50	11.50	11.50	administrative positions since 1st quarter FY25 due to decreases in federal funds that could not be fully replaced with ESD funds (120 - Admin Contingency Acct and 134 - Employer Service Admin Acct). These reductions are in addition to those earlier reductions and reflect meeting the 10% target.		consolidate work and reduce administrative and management staff. For example, ESD consolidated work across UI, PFML and LTSS audit, collections and fraud lines of business and is planning to gain further efficiencies across claimant and employer services across those programs.	
			134-1		-	-	-	-	-	236	236	236	236		1.40	1.40	1.40	1.40				
			22F-1		-	-	-	-	-	805	805	805	805		4.70	4.70	4.70	4.70				
		Administrative Reduction	001-2		-	-	-	-	-	490	490	490	490		5.00	5.00	5.00	5.00				
			119-2		-	-	-	-	-	490	490	490	490		5.00	5.00	5.00	5.00				
			120-1		-	-	-	-	-	196	196	196	196		2.00	2.00	2.00	2.00				
			134-1		-	-	-	-	-	392	392	392	392		4.00	4.00	4.00	4.00				
			22F-1		-	-	-	-	-	784	784	784	784		8.00	8.00	8.00	8.00				
		Travel	Multiple Funding sources		-	-	-	-	-	211	211	211	211						ESD has reduced travel since 1st quarter FY25 due to decreases in federal funds that could not be fully met with ESD funds (120 - Admin Contingency Acct and 134 - Employer Service Admin Acct). These reductions meet the target.			
					1,448	*1,448*	*5,019*	*5,019*		*13,490*	*13,455*	*8,848*	*8,848*		*48*	*48*	*46*	*46*				
		Potential 4 year savings				*2,896*		*12,934*			*26,944*		*44,640*									

Priority:

L = Low priority agency activity or program
M = Medium priority agency activity or program
H = High priority agency activity or program

Impact:
1 = Allows continuation of the program/activity at a reduced level
2 = Eliminates the ability to perform program objectives
3 = Eliminates agency function
4 = Long term implications (moves the problem to next biennium)
5 = Short term (reduction to one time increase)