

# FINAL BILL REPORT

## 2SHB 2106

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### PARTIAL VETO C 520 L 09 Synopsis as Enacted

**Brief Description:** Improving child welfare outcomes through the phased implementation of strategic and proven reforms.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Kagi, Roberts, Kenney and Morrell).

**House Committee on Early Learning & Children's Services**  
**House Committee on Ways & Means**  
**Senate Committee on Human Services & Corrections**  
**Senate Committee on Ways & Means**

#### **Background:**

##### Report from the Washington State Institute for Public Policy.

In 2007 the Legislature directed the Washington State Institute for Public Policy (Institute) to study evidence-based, cost-effective programs and policies to reduce the likelihood of children entering and remaining in the child welfare system, including prevention and intervention programs. In its analysis, the Institute focused on three key questions:

- Is there credible evidence that specific programs "work" to improve these outcomes?
- If so, do benefits outweigh program costs?
- What would be the total net gain to Washington if these evidence-based programs were implemented more widely across the state?

The Institute conducted a systematic review of 74 rigorous comparison group evaluations of programs and policies to identify what works to improve child welfare outcomes. The Institute then estimated the monetary value of the benefits to Washington if these programs were implemented in the state. In estimating monetary value, the Institute examined factors such as reduced child welfare system expenditures, reduced costs to the victims of child maltreatment, and other long-term outcomes to participants and taxpayers, such as improved educational and labor market performance, and lower criminal activity.

The Institute estimated the statewide benefits of implementing an expanded portfolio of evidence-based programs and found that after five years of implementing such a strategy,

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Washington would receive long-term net benefits between \$317 and \$493 million (of which \$6 million to \$62 million would be net taxpayer benefits). Several of the cost-effective evidence-based programs listed in the expanded portfolio are offered and available to a limited degree in the state, including:

- homebuilders program for intensive family preservation;
- parent-child interaction therapy;
- nurse family partnership home visitation program; and
- parents as teachers.

#### Child Welfare Services Contracts.

The Department of Social and Health Services (DSHS) contracts with multiple private providers for the purchase of various child welfare services, including: individual and group counseling or therapy; group care and behavioral health services; assessment and treatment for chemical dependence, domestic violence, or mental health needs; reunification services; and adoption services. Approximately 1,800 fee-for-service contracts are in force with both non-profit and for-profit entities. None of the contracts are performance-based.

#### Foster Care Budgeting.

Budgeting for the state's share of foster care costs includes the use of information developed by the Caseload Forecast Council. State appropriations for foster care are increased or reduced depending on the forecasted caseload. When the DSHS is successful in reducing foster care caseloads through implementation of prevention and intervention programs or other policies, the savings from reduced caseloads are not available to be used for reinvestment into sustaining or expanding these programs to achieve long-term reduced caseloads and additional statewide reforms.

Researchers and experts in foster care reform frequently emphasize the importance of implementing a reinvestment strategy as the means of sustaining and expanding prevention and early intervention programs designed to strengthen permanent families and thereby reduce foster care caseloads and improve long-term child welfare outcomes.

#### Legislative Children's Oversight Committee.

The Legislative Children's Oversight Committee (LCOC) is responsible for monitoring and ensuring compliance with administrative acts, relevant statutes, rules, and policies pertaining to family and children's services and the placement, supervision, and treatment of children in the state's care or in state-licensed facilities or residences. The LCOC meets at the call of the chair and consists of six legislators total, three from the House of Representatives and three from the Senate, with no more than two members from the same political party per chamber.

#### Partners For Our Children.

Partners for Our Children (POC) is an independent public-private partnership aimed at improving Washington's child welfare system. The partnership consists of the DSHS, the University of Washington School of Social Work, and the regional philanthropic community.

#### **Summary:**

By January 1, 2011, the Department of Social and Health Services (DSHS) must consolidate and convert its existing contracts for child welfare services to performance-based contracts

linking the contractors' performance to the level and timing of reimbursement for services. Numerous administrative statutes relating to child welfare services and statutes governing the child dependency court processes are amended to reflect that the DSHS, as well as private contractors and Indian tribes, may provide child welfare services, including case management services, under performance-based contracts. Non-profit private contractors must receive primary preference over for-profit contractors.

#### Child Welfare Transformation Design Committee.

A Child Welfare Transformation Design Committee (Committee) is established and charged with selecting two demonstration sites in which the DSHS must contract out for all child welfare services, and developing a transition plan for implementing the performance-based contracts.

The Committee includes representation from the following entities:

- the Office of the Governor;
- the Office of the Attorney General;
- the Children's Administration within the DSHS;
- the Office of the Family and Children's Ombudsman;
- the Indian Policy Advisory Committee convened by DSHS;
- the Racial Disproportionality Advisory Committee convened by the DSHS;
- the bargaining representative for the largest number of Children's Administration's employees;
- nationally recognized experts in performance-based contracting;
- private agencies providing child welfare service in Washington;
- parents with experience in the dependency process;
- Partners for Our Children (POC);
- superior court judges; and
- foster parents.

Staff support for the Committee must be provided jointly by POC staff and legislative staff. It is expected that administrative costs for the Committee will be supported by private funds. The Committee expires July 1, 2015.

#### Demonstration Sites.

The Committee will select the location and size of the demonstration sites to ensure adequate statistical power to assess any meaningful differences in outcomes in the demonstration sites as compared with the current service delivery system.

Effective July 1, 2012, the DSHS must contract for all child welfare services in the demonstration sites, including the following case management functions:

- conducting child-caseworker visits;
- arranging for family visits;
- convening of family group conferences;
- development and revision of the case plan;
- coordination and monitoring of services needed by the child and family;
- performance of court-related duties, including preparing court reports and attending hearings; and

- ensuring the child is progressing toward permanency within state and federal mandates, including the federal Indian Child Welfare Act.

The DSHS may not directly provide child welfare services in the demonstration sites except in an emergency, or if the DSHS is unable to contract with a private agency or the contractor or the DSHS terminate the contract prematurely.

#### Reporting and Evaluations.

The Committee must report in writing to the Governor and the Legislative Children's Oversight Committee as follows:

- quarterly from June 30, 2009, through June 30, 2012; and
- semi-annually from June 30, 2012, through January 1, 2015.

The Washington State Institute for Public Policy (WSIPP) must report to the Governor and the Legislature regarding the DSHS's conversion of existing contracts for child welfare services to performance-based contracts. An initial report is due June 30, 2011, and a final report is due June 30, 2012.

The WSIPP also must conduct a review of the measurable effects achieved by private contractors in the demonstration sites as compared to measurable effects achieved outside the demonstration sites. The WSIPP must provide a report to the Governor and the Legislature by April 1, 2015.

#### Governor's Authority.

Based upon the reports from the WSIPP, the Governor shall, by June 1, 2015, determine whether to expand the demonstration sites or terminate the contracting of all child welfare services, including case management services. The Governor must inform the Legislature of the decision within seven days of making the determination. Regardless of the Governor's decision regarding expansion or termination of the demonstration sites, the DSHS must continue use of performance-based contracts to the extent that it contracts for child welfare services.

#### Proposal for Reinvestment of Savings.

The Caseload Forecast Council, the Office of Financial Management, and the DSHS jointly must develop a proposal for consideration by the Legislature and the Governor allowing for the savings, including savings from reduced foster care caseloads, to be reinvested to expand evidence-based and promising practices to prevent the need for or reduce the duration of foster care placements. The agencies shall brief the Governor and the Legislature on the proposal by November 30, 2010.

#### Statutes Repealed.

Statutes relating to past due dates for reports and studies regarding drug-affected and alcohol-affected infants, abuse and neglect of adolescents, and child care for children at risk of child abuse or neglect are repealed. In addition, statutes requiring contracts for regional foster parent liaisons and directing the implementation and reporting of the intensive resource home pilot program for youth in foster care are repealed.

#### **Votes on Final Passage:**

House 97 0  
Senate 37 10 (Senate amended)  
House 97 0 (House concurred)

**Effective:** July 26, 2009  
May 18, 2009 (Section 8)

**Partial Veto Summary:** The Governor vetoed section one, relating to legislative findings and intent; section 14, relating to disclosure of unfounded allegations of child abuse and neglect; and section 19, relating to curriculum and training requirements for child protective services workers.